

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Loren Knicely and Loren Knicely as Trustee of the New Hope Cemetery Fund  
(Claimants) v. Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc. and John  
Cochran (Respondents)

Case Number: 02-07285

Hearing Site: Columbus, Ohio

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Nature of the Dispute: Customers vs. Member and Associated Person.

**REPRESENTATION OF PARTIES**

Claimants Loren Knicely ("Knicely") and Loren Knicely as Trustee of the New Hope Cemetery Fund ("New Hope Cemetery Fund") hereinafter collectively referred to as "Claimants": Susan N. Hayes, Esq., J. C. DeBoard & Co., L.P.A., Worthington, OH.

Respondents Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc. ("Prudential") and John Cochran ("Cochran") hereinafter collectively referred to as "Respondents": Christopher Lewis, Esq., Kirkpatrick & Lockhart, LLP, New York, NY. Previously represented by: James A. Tricarico, Jr., Esq., Kirkpatrick & Lockhart, LLP, New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: November 26, 2002.

Claimants each signed the Uniform Submission Agreement: November 25, 2002.

Joint Statement of Answer filed by Respondents on or about: March 24, 2003.

Prudential signed the Uniform Submission Agreement: April 21, 2003.

Cochran signed the Uniform Submission Agreement: April 2, 2003.

**CASE SUMMARY**

Claimants asserted the following causes of action: misrepresentation; suitability; breach of fiduciary duty; negligence; and failure to supervise. Claimants' claim involved unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

**RELIEF REQUESTED**

Claimants requested compensatory damages of \$250,000.00 on the personal account, \$200,000.00 on the New Hope Cemetery Fund account, punitive damages of \$550,000.00, and costs including attorneys' fees.

Respondents requested that the Statement of Claim be dismissed in all respects.

**OTHER ISSUES CONSIDERED AND DECIDED**

At the commencement of the hearing on February 9, 2004, the panel denied Respondents' February 6, 2004 Motion to Dismiss New Hope Cemetery Fund as a party to this matter.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

**AWARD**

After considering the pleadings, and the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay to Claimant Loren Knically compensatory damages in the amount of \$17,631.75, plus interest at the rate of 10% per annum from February 15, 2004 until the date the award is paid.
2. Any and all relief not specifically addressed herein, including punitive damages, is denied.

**FEES**

Pursuant to the Code, the following fees are assessed:

**Filing Fees**

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$375.00

**Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc. is a party.

Member surcharge = \$2,250.00

Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

**Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel @ \$1,200.00	= \$1,200.00
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Pre-hearing conference: July 8, 2003	1 session
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Five (5) Hearing sessions @ \$1,200.00	= \$6,000.00
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Hearing Dates: February 9, 2004	2 sessions
February 10, 2004	2 sessions
February 11, 2004	1 session

Total Forum Fees	= \$7,200.00
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1. The Panel has assessed \$3,600.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$3,600.00 of the forum fees against Respondent Prudential.

**Fee Summary**

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 3,600.00
Total Fees	= \$ 3,975.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 2,400.00

2. Prudential is solely liable for:

Member Fees	= \$ 7,000.00
Forum Fees	= \$ 3,600.00
Total Fees	= \$10,600.00
Less payments	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 3,600.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.
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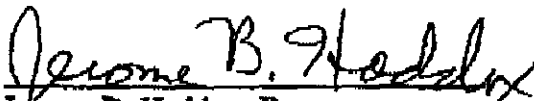
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Arbitration No. 02-07285  
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**ARBITRATION PANEL**

Jerome B. Haddox, Esq.	-	Public Arbitrator, Presiding Chair
Philip C. Johnston	-	Public Arbitrator
Robert P. Fogarty	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

  
Jerome B. Haddox, Esq.  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Philip C. Johnston  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Robert P. Fogarty  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

March 11, 2004

\_\_\_\_\_  
Date of Service (For NASD Dispute Resolution use only)

**NASD REGULATION**

**NASD Dispute Resolution**  
**Arbitration No. 02-07285**  
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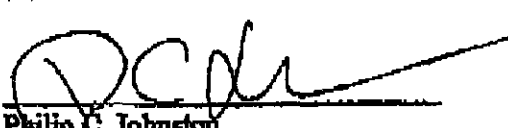
<b>Jerome B. Haddock, Esq.</b>	-	<b>Public Arbitrator, Presiding Chair</b>
<b>Philip C. Johnston</b>	-	<b>Public Arbitrator</b>
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\_\_\_\_\_  
**Jerome B. Haddock, Esq.**  
**Public Arbitrator, Presiding Chairperson**

\_\_\_\_\_  
**Signature Date**

  
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**Philip C. Johnston**  
**Public Arbitrator**

March 8, 2004  
**Signature Date**

\_\_\_\_\_  
**Robert P. Fogarty**  
**Non-Public Arbitrator**

\_\_\_\_\_  
**Signature Date**

March 11, 2004  
**Date of Service (For NASD Dispute Resolution use only)**

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Jerome B. Haddox, Esq.  
Public Arbitrator, Presiding Chairperson

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Signature Date

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Philip C. Johnston  
Public Arbitrator

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Signature Date

Robert P. Fogarty  
\_\_\_\_\_  
Robert P. Fogarty  
Non-Public Arbitrator

3-21-04  
\_\_\_\_\_  
Signature Date

March 11, 2004  
\_\_\_\_\_  
Date of Service (For NASD Dispute Resolution use only)