

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Ronny Blaine Reynolds, Trustee of the Ronny Blaine Reynolds Trust dtd 9/21/95, Claimant v.
Prudential Securities, Incorporated n/k/a Prudential Equity Group, LLC and Carl M. Kraeplin,
Respondents

Case Number: 02-07312

Hearing Site: San Diego, California

Nature of the Dispute:
Customer v. Member and Associated Person

REPRESENTATION OF PARTIES

For Claimant:

Arthur S. Leider
Investors Arbitration Specialists
San Diego, California

For Respondents:

Martin Hunger, Esq.
Prudential Equity Group Inc.
New York, New York

CASE INFORMATION

Statement of Claim filed: November 30, 2002

Claimant's Uniform Submission Agreement signed: October 12, 2002

Joint Statement of Answer filed by Respondents: February 21, 2003

Respondent Prudential Securities, Incorporated n/k/a Prudential Equity Group, LLC's Uniform
Submission Agreement signed: February 21, 2003

Respondent Carl M. Kraeplin's Uniform Submission Agreement signed: February 3, 2003

CASE SUMMARY

Claimant alleged breach of fiduciary duty, negligence, fraudulent misrepresentation, omission, and unsuitable recommendations. The dispute involved, among other unspecified securities, the purchase and/or sale of Duke Energy convertible preferred, EDS convertible preferred, Georgia Pacific common, TXU convertible preferred, and Morgan Stanley Dean Witter & Co. 10% Stk Sparqs.

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

RELIEF REQUESTED

In Claimant's Statement of Claim, Claimant requested compensatory damages in the amount of \$160,000.00, punitive damages or exemplary in the amount of \$320,000.00, pre-award and post-award interest, and costs, including representation fees.

In Claimant's Revised Prayer for Damages, Claimant requested compensatory damages in the amount of \$172,192.00, unspecified punitive or exemplary damages, pre-award interest at the legal rate from October 2001 until the Award is paid, and costs, including representation fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety and costs.

OTHER ISSUES CONSIDERED AND DECIDED

On July 28, 2003, Claimant and Claimant's representative signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

On October 8, 2004, Claimant filed a revised prayer for damages. The panel had no objections to Claimant filing the revised prayer for damages.

The parties 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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents are jointly and severally liable to and shall pay Claimant \$60,000.00 in compensatory damages.
- 2) Respondents are jointly and severally liable to and shall pay Claimant interest at the rate of 7 ½ percent per annum on the sum of \$60,000.00 from January 15, 2003 until the Award is paid in full.
- 3) Claimant's request for punitive damages is denied.
- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code of Arbitration Procedure ("Code"), the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Prudential Securities, Incorporated n/k/a Prudential Equity Group, LLC is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 2,750.00</u>
Total Member Fees	= \$ 5,200.00

Adjournment Fees

The following adjournment fees are assessed:

Hearing Dates, June 8 – 10, 2004 = \$ 1,125.00

Pursuant to Rule 10403(b) of the Code, the adjournment fee is waived.

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 conference session with the Panel @ \$1,125.00/session = \$ 1,125.00
Pre-hearing conference: October 1, 2003 1 session

Six (6) Hearing sessions @ \$1,125.00/session = \$ 6,750.00
Hearings: October 20, 2004 2 sessions
October 21, 2004 2 sessions
October 22, 2004 2 sessions

Total Forum Fees = \$ 7,875.00

1. The Panel assessed \$3,937.50 of the forum fees to Claimant.
2. The Panel assessed \$3,937.50 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 3,937.50
Total Fees	= \$ 4,237.50
Less payments	= \$(1,425.00)
Balance Due NASD Dispute Resolution	= \$ 2,812.50

2. Respondent Prudential Securities, Incorporated n/k/a Prudential Equity Group, LLC is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Less payments	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Prudential Securities, Incorporated n/k/a Prudential Equity Group, LLC and Carl M. Kraeplin are charged jointly and severally with the following fees and costs:

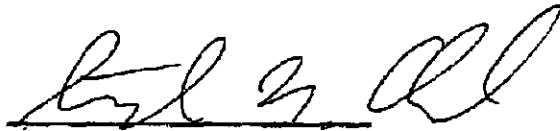
Forum Fees	= \$ 3,937.50
Balance Due NASD Dispute Resolution	= \$ 3,937.50

All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Stephen R. Clark	-	Public Arbitrator, Presiding Chair
Marjorie B. Newsom	-	Public Arbitrator
Alfred E. Monahan	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Stephen R. Clark
Chair, Public Arbitrator

10-26-09
Signature Date

Marjorie B. Newsom
Public Arbitrator

Signature Date

Alfred E. Monahan
Non-Public Arbitrator

Signature Date

10/27/09
Date of Service

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Chair, Public Arbitrator

Signature Date

Marjorie B. Newsom
Public Arbitrator

Signature Date

Alfred E. Monahan
Alfred E. Monahan
Non-Public Arbitrator

10-26-04
Signature Date

10/27/04
Date of Service

Received

OCT 29 2004

NASD West Region
Dispute Resolution

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Marjorie B. Newsom	-	Public Arbitrator
Alfred E. Monahan	-	Non-Public Arbitrator

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Non-Public Arbitrator

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