

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Joel Flig and Joan Flig (Claimants) v. Prudential Equity Group, Inc. f/k/a Prudential Securities, Inc. and Andrew Wolff (Respondents)

Case Number: 02-07786

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimants Joel Flig ("Joel Flig") and Joan Flig ("Joan Flig") hereinafter collectively referred to as "Claimants": Robert J. Valli, Jr., Esq., previously John F. Wirenius, Esq., Leeds Morelli & Brown, P.C., Carle Place, NY.

Respondents Prudential Equity Group, Inc. f/k/a Prudential Securities, Inc. ("Prudential") and Andrew Wolff ("A. Wolff") hereinafter collectively referred to as "Respondents": Brian F. McDonough, Esq., Drinker Biddle & Reath, LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: December 19, 2002.

Claimants signed the Uniform Submission Agreement: December 15, 2002.

Joint Statement of Answer filed by Respondents on or about: May 1, 2003.

Respondent Wolff signed the Uniform Submission Agreement: June 24, 2003.

Respondent Prudential did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: churning; unsuitability; failure to supervise; negligence; breach of fiduciary duty; violation of industry regulations; and breach of standard of care. 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 in the amount of \$1,350,000.00; punitive damages in the amount of \$2,000,000.00; attorneys' fees; and all further relief to which

Claimant is entitled and/or which the Arbitrators deem just and proper.

Respondents requested that Claimants' claim be denied in its entirety and that the Panel order that this claim be expunged from Respondent Wolff's Central Registration Depository ("CRD") records.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Prudential did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim, and appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

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. Claimants' claims are denied in their entirety.
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 | = \$600.00 |
|--------------------------|------------|

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 Equity Group, Inc. f/k/a Prudential Securities, Inc. is a party.

| | |
|-------------------------|--------------|
| Member surcharge | = \$2,800.00 |
| Pre-hearing process fee | = \$ 750.00 |
| Hearing process fee | = \$5,000.00 |

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

| | |
|--|----------|
| November 17-19, 2003, adjournment by Claimants | = Waived |
| May 17, 2004, adjournment by Respondents | = 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:

Three (3) Pre-hearing sessions with Panel @ \$1,200.00 = \$ 3,600.00

| | | |
|--------------------------|------------------|-----------|
| Pre-hearing conferences: | October 1, 2003 | 1 session |
| | December 3, 2003 | 1 session |
| | May 17, 2004 | 1 session |

Ten (10) Hearing sessions @ \$1,200.00 = \$12,000.00

| | | |
|----------------|-----------------|------------|
| Hearing Dates: | April 7, 2004 | 2 sessions |
| | April 8, 2004 | 2 sessions |
| | April 19, 2004 | 2 sessions |
| | August 16, 2004 | 2 sessions |
| | August 17, 2004 | 2 sessions |

Total Forum Fees = \$15,600.00

1. The Panel has assessed \$15,600.00 of the forum fees jointly and severally against Respondents.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. Respondent Prudential requested duplication of hearing tapes = \$90.00

Fee Summary

1. Claimants are jointly and severally liable for:

| | |
|-----------------------------|--------------|
| <u>Initial Filing Fee</u> | = \$ 600.00 |
| <u>Total Fees</u> | = \$ 600.00 |
| <u>Less payments</u> | = \$1,800.00 |
| <u>Refund Due Claimants</u> | = \$1,200.00 |

2. Respondent Prudential is solely liable for:

| | |
|-------------------------------------|---------------|
| Member Fees | = \$ 8,550.00 |
| <u>Administrative Costs</u> | = \$ 90.00 |
| Total Fees | = \$ 8,640.00 |
| <u>Less payments</u> | = \$ 8,640.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

3. Respondents are jointly and severally liable for:

| | |
|-------------------------------------|---------------|
| <u>Forum Fees</u> | = \$15,600.00 |
| Total Fees | = \$15,600.00 |
| <u>Less payments</u> | = \$ 4,910.00 |
| Balance Due NASD Dispute Resolution | = \$10,690.00 |


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

ARBITRATION PANEL

| | | |
|-------------------|---|--|
| Arnold Wagner | - | Public Arbitrator, Presiding Chairperson |
| Gary R. Greenbaum | - | Public Arbitrator |
| Thomas Caiaffa | - | 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 in which is my award.


Arnold Wagner
Public Arbitrator, Presiding Chairperson

8/18/2004
Signature Date

Gary R. Greenbaum
Public Arbitrator

Signature Date

Thomas Caiaffa
Non-Public Arbitrator

Signature Date

September 15, 2004
Date of Service (For NASD Dispute Resolution use only)

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Arnold Wagner
Public Arbitrator, Presiding Chairperson

Signature Date



Gary R. Greenbaum
Public Arbitrator

14 Sep 04

Signature Date

Thomas Caiaffa
Non-Public Arbitrator

Signature Date

September 15, 2004

Date of Service (For NASD Dispute Resolution use only)

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Concurring Arbitrators' Signatures

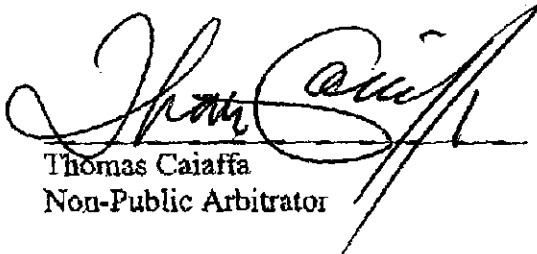
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instrument is which is my award.

Arnold Wagner
Public Arbitrator, Presiding Chairperson

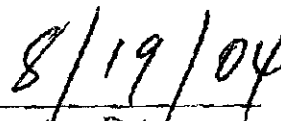
Signature Date

Gary R. Greenbaum
Public Arbitrator

Signature Date



Thomas Caiaffa
Non-Public Arbitrator



Signature Date

September 15, 2004

Date of Service (For NASD Dispute Resolution use only)