

**Stipulated Award
NASD Dispute Resolution**

COPY

In the Matter of the Arbitration Between:

Kate Bekins Revocable Trust, Claimant v. Prudential Equity Group, LLC (formerly Prudential Securities, Inc.) and Allan L. Herzog, Respondents

Case Number: 03-00205

Hearing Site: San Francisco, California

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

REPRESENTATION OF PARTIES

For Claimant:

Thomas D. Mauriello, Esq.
Law Offices of
Thomas D. Mauriello, Esq.
San Francisco, California

For Respondents:

Julie L. Taylor, Esq.
Atlantis Tillman Langowski, Esq.
Keesal, Young & Logan
San Francisco, California

CASE INFORMATION

Statement of Claim filed: January 7, 2003

Claimant's Uniform Submission Agreement signed: December 15, 2002

Joint Statement of Answer filed by Respondents Prudential Equity Group, LLC, formerly Prudential Securities, Inc. ("Prudential") and Allan L. Herzog: March 19, 2003

Respondent Prudential's Uniform Submission Agreement signed: March 19, 2003

Respondent Allan L. Herzog's Uniform Submission Agreement signed: March 19, 2003

CASE SUMMARY

Claimant alleged that her account suffered losses because of Respondents' mishandling of Claimant's account. Claimant also alleged that the above-referenced dispute involves investments in various equities/equity funds, including but not limited to, investments in

Provident, Trust Company of the West, Kayne Anderson, Campbell, Cowperthwait and Groupama Asset Management.

Respondents denied the allegations of wrongdoing set forth in Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested:

1. Compensatory damages in the amount of \$440,501.51;
2. Rescission, as appropriate;
3. Costs;
4. Attorney's fees;
5. An award of prejudgment interest at the rate of 10%; and
6. Such other relief as the arbitrators may find appropriate under the circumstances.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety, an award of costs and an expungement of the claim from Mr. Herzog's CRD record.

OTHER ISSUES CONSIDERED AND DECIDED

On February 13, 2003, Claimant and Claimant's counsel 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.

Claimant and Respondents have reached a confidential settlement of this case whereby they have agreed upon this Stipulated Award as part of that settlement which includes expungement of Mr. Herzog's CRD records.

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

STIPULATION

It is hereby stipulated by Claimant and Respondents, through their undersigned attorneys of record, that:

1. All of Claimant's claims asserted against the Respondents are hereby dismissed with prejudice; and
2. Claimant does not object to the Panel rendering the following award:

The Panel hereby recommends the expungement of all reference to the above-captioned arbitration from Respondent Allan L. Herzog's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Allan L. Herzog must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

AWARD

After considering the pleadings and the Stipulation, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. This arbitration claim is dismissed with prejudice as against all Respondents.
2. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Allan L. Herzog's registration records maintained by the CRD, with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Allan L. Herzog must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

| | |
|--------------------------|------------|
| Initial claim filing fee | = \$300.00 |
|--------------------------|------------|

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, Prudential 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:

The Panel granted Claimant's request to postpone the October 7-10, 2003 hearing dates and waived the \$1,125.00 postponement fee.

The Panel granted Respondents' request to postpone the December 1-4, 2003 hearing dates and assessed Respondents the \$1,125.00 postponement fee.

The Panel granted the parties' request to postpone the hearing dates of May 17-20, 2004, and ruled that the \$1,125.00 postponement fee shall be assessed as follows: 50% to Claimant and 50% jointly and severally to Respondents Prudential and Allan L. Herzog.

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

| | |
|---|--------------|
| (4) Pre-hearing conference sessions with the Panel @ \$1,125.00/session | = \$4,500.00 |
| Pre-hearing conferences: | |
| May 29, 2003 | 1 session |
| October 8, 2003 | 1 session |
| May 11, 2004 | 1 session |
| February 2, 2005 | 1 session |

| | |
|-------------------------|---------------------|
| Total Forum Fees | = \$4,500.00 |
|-------------------------|---------------------|

The Panel assessed \$1,687.50 in forum fees to Claimant.

The Panel assessed \$2,812.50 in forum fees jointly and severally to Respondents Prudential and Allan L. Herzog.

Fee Summary

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

| | |
|----------------------|-----------------------|
| Initial Filing Fee | = \$ 300.00 |
| Adjournment Fee | = \$ 562.50 |
| <u>Forum Fees</u> | <u>= \$ 1,687.50</u> |
| Total Fees | = \$ 2,550.00 |
| <u>Less Payments</u> | <u>= \$(1,425.00)</u> |
| Balance Due NASD-DR | = \$ 1,125.00 |

2. Respondent Prudential is charged with the following fees and costs:

| | |
|-----------------------|-----------------------|
| Member Fees | = \$ 5,200.00 |
| <u>Less Payments</u> | <u>= \$(6,262.50)</u> |
| Refund Due Prudential | = \$(1,062.50) |

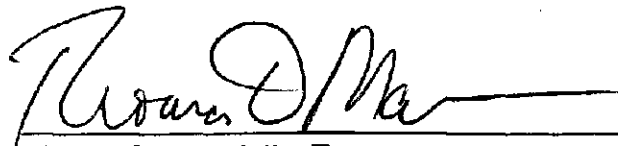
3. Respondents Prudential and Allan L. Herzog are charged jointly and severally with the following fees and costs:

| | |
|------------------------------------|-----------------------|
| Adjournment Fees | = \$ 1,687.50 |
| <u>Forum Fees</u> | <u>= \$ 2,812.50</u> |
| Total Fees | = \$ 4,500.00 |
| Less Payments by Allan L. Herzog | = \$(562.50) |
| <u>Less Payments by Prudential</u> | <u>= \$(3,937.50)</u> |
| Balance Due NASD-DR | = \$ 0.00 |

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

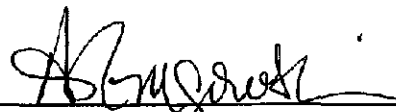
Parties' Signatures

Dated: March 8, 2005



Thomas D. Mauriello, Esq.
Law Offices of Thomas D. Mauriello
Attorney for Claimant Kate Bekins Revocable
Trust

Dated: February 10, 2005



Julie L. Taylor, Esq.
Atlantis Tillman Langowski, Esq.
Keesal, Young & Logan
Attorneys for Respondents Prudential Equity
Group, LLC (formerly Prudential Securities,
Inc.) and Allan L. Herzog

ARBITRATION PANEL

Sterling N. Frost
John J. Flynn
Mary Curran, Esq.

Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures


Sterling N. Frost
Chair, Public Arbitrator

3/25/05
Signature Date

John J. Flynn
Public Arbitrator

Signature Date

Mary Curran, Esq.
Non-Public Arbitrator

Signature Date

4/7/05
Date of Service

ARBITRATION PANEL

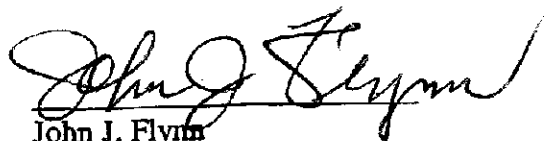
Sterling N. Frost
John J. Flynn
Mary Curran, Esq.

- Public Arbitrator, Presiding Chair
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures

Sterling N. Frost
Chair, Public Arbitrator

Signature Date


John J. Flynn
Public Arbitrator

3/24/05
Signature Date

Mary Curran, Esq.
Non-Public Arbitrator

Signature Date

4/7/05
Date of Service

ARBITRATION PANEL

| | | |
|-------------------|---|------------------------------------|
| Sterling N. Frost | - | Public Arbitrator, Presiding Chair |
| John J. Flynn | - | Public Arbitrator |
| Mary Curran, Esq. | - | Non-Public Arbitrator |

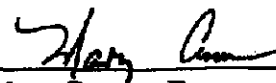
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Signature Date

John J. Flynn
Public Arbitrator

Signature Date



Mary Curran, Esq.
Non-Public Arbitrator

3/24/2005

Signature Date

4/7/05

Date of Service