

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Arlene D. Rowland

and

03-01179
Phoenix, Arizona

Name of Respondent

Prudential Equity Group, LLC

Nature of the Dispute: Associated Person vs. Member.

REPRESENTATION OF PARTIES

Arlene D. Rowland ("**Claimant**") participated *pro se* after June 21, 2004. Prior to June 21, 2004 Claimant was represented by Robert D. Mitchell, Esq., Mitchell Law Offices, Phoenix, Arizona.

Prudential Equity Group, LLC ("**Respondent**") was represented by Deborah J. Broyles, Esq., Thelen Reid & Priest LLP, San Francisco, California.

CASE INFORMATION

The Statement of Claim was filed on or about February 19, 2003. Submission Agreement of Claimant Arlene D. Rowland was signed on February 6, 2003. Claimant's Motion for Leave to Amend Statement of Claim was filed on or about May 6, 2004. Claimant's Motion to Remove Arbitration to federal Court for Consolidation of Claims was filed on or about February 14, 2005. Claimant's Motion for Dismissal of Claim Without Prejudice was filed on or about March 17, 2005. Claimant's Response to: Respondent's Opposition to Motion to Dismiss Without Prejudice; and Respondent's Request for Sanctions was filed on or about April 12, 2005. Addendum: Claimant's Response dated April 8, 2005: "Respondent's Opposition to Motion to Dismiss Without Prejudice" AND "Respondent's Request for Sanctions" was filed on or about April 17, 2005.

Statement of Answer was filed by Respondent Prudential Equity Group, LLC on or about June 18, 2003. Submission Agreement of Respondent Prudential Equity Group, LLC was signed on June 17, 2003. Respondent's Opposition to Motion to File an Amended Statement of Claim was filed on or about June 14, 2004. Respondent's Opposition to Motion to Remove Arbitration to federal Court for Consolidation of Claims was filed on or about February 22, 2005. Respondent's Opposition to Motion to Dismiss Without Prejudice: Request for Sanctions was filed on or about April 5, 2005. Response to Claimant's Addendum was filed on or about April 19, 2005.

CASE SUMMARY

Claimant alleged that

Over the duration of Ms. Rowland's employment at Prudential she was subjected to intolerable discrimination, which created a hostile and intolerable work environment, hindered her career advancement, and inflicted substantial emotional distress upon her. In addition, on October 2002, Prudential terminated Ms. Rowland's disability. The conduct of which Ms. Rowland complains has been open, blatant, and continuous from the time of her employment to the present.

Claimant's specific allegations include the following causes of action:

Title VII violation; Arizona Civil Rights violation; Intentional Infliction of Emotional Distress; Negligent Infliction of Emotional Distress; Violation of Whistle Blower Protection Act; Malicious and Intentional Injury; and Failure to Supervise.

Respondent denied the allegations set forth in the Statement of Claim. Respondent specifically stated:

The crux of Rowland's action is that she claims to have been disparately treated on the basis of gender in the manner in which account assets and leads of departing brokers were distributed to the remaining brokers. Rowland has no evidence to support this allegation. To the contrary, the evidence shows that accounts were distributed to all brokers, including Rowland, on the basis of the broker's production and contribution to the firm revenue and not on the basis of gender or any other unlawful criteria. Rowland also asserts disparate treatment in connection with payment of her marketing expenses versus those of unidentified male brokers. Rowland offers nothing but unsubstantiated, vague allegations to support this claim. PSI treated Rowland as it did nay other broker – male or female – in this regard. Finally, Rowland also alleges that PSI "retaliated" against her by failing to pay her disability benefits during her current leave of absence. However, the uncontroverted fact is that Rowland received – and continues to receive – all benefits due her during her leave of absence.

RELIEF REQUESTED

Claimant requested an award of the following:

- A. Compensatory damages of a t least \$1 million against Prudential Securities Incorporated, ina specific amount to be proved at the arbitration hearing.
- B. Punitive damages of at least \$1 million against Prudential Securities Incorporated.

- C. Interest on the above amounts until paid.
- D. An award of attorney's fees and costs incurred by Ms. Rowland in pursuing her claims in this matter.
- E. Such other and further relief as the Arbitrator deem appropriate in this case.

Respondent requested an award of the arbitrators dismissing Rowland's Statement of Claim and awarding it attorneys fees and costs of defense.

OTHER ISSUES CONSIDERED & DECIDED

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

After considering the pleadings, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. By Order dated June 7, 2005, the Panel conditionally granted Claimant's Motion to Dismiss without Prejudice. By letter to NASD Dispute Resolution, dated June 17, 2005, Claimant accepted the conditions imposed by the Panel, including the ones that provided as follows:
 - i. [T]hat Claimant agrees to pay (i) all of the Respondent's costs, expenses and attorneys fees incurred by Respondent since the commencement of the case on or about February 6, 2003, and (ii) all amounts due and payable to the NASD from all parties, including but not limited to all forum fees incurred by the parties since the commencement of the case on or about February 6, 2003.
2. Following notice of Claimant's acceptance of the conditions, Respondent submitted Respondent's Cost Bill, which requested attorneys' fees and costs totaling \$198,049.78 (\$148,784.75 for attorneys' fees, \$23,642.03 in costs and disbursements, and \$25,623.00 for expert witness fees). In the Cost Bill, Respondent requested "specifically that the Panel *not* provide Claimant with a copy of the documentation supporting the Cost Bill" [emphasis in original, footnote omitted]. The documentation provided to the panel consisted of a 51-page spreadsheet itemizing the attorneys' fees and costs Respondent incurred. The Panel received no documentation regarding the claimed expert witness fees.

3. NASD Dispute Resolution provided a copy of Respondent's Cost Bill to Claimant in August 2005. Claimant never contested Respondent's request to keep the documentation of fees and costs from her. Therefore, NASD Dispute Resolution complied with Respondent's request.
4. Although the conditional order granting Claimant's Motion to Dismiss without Prejudice stated that a condition of dismissal would be Claimant's agreeing to pay all of Respondent's fees and costs, the Panel has decided it would not be fair to award Respondent all of the fees and costs incurred in the arbitration proceedings. With respect to the attorneys' fees, some of the work done will apply to the district court action and some applied to the parties' mediation and settlement efforts. The Panel went through Respondent's itemization of fees to determine the amount of those fees based on the descriptions of services provided. Regarding the expert witness fees, most of those will apply to the court case, but because Respondent did not provide a breakdown of those fees, the Panel is unable to determine what portion might not so apply. Therefore, no expert witness fees are awarded. As for the costs, the Panel did not deem it appropriate to award Respondent's its counsel's in-house copying and facsimile costs, long distance telephone charges, express delivery charges for exchanges between Respondent and its counsel, or costs incurred in attending the mediation.
5. Based on the foregoing, the Panel disposes of this case as follows:
6. The case is dismissed without prejudice and the final hearing scheduled to begin on January 9, 2006 is vacated.
7. Claimant will pay Respondent \$121,959.75 for attorneys' fees and \$15,836.07 for costs, for a total of \$137,795.82, plus interest at the legal rate from the date of this Award until paid.
8. Claimant will pay NASD Dispute Resolution \$5,250.00 for unpaid forum fees, plus interest at the legal rate from the date of this Award until paid.
9. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied without prejudice.
10. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

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 = \$500.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm(s) is Prudential Equity Group, LLC.

Member surcharge	\$	2,800.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	5,000.00
Total Member Fees	\$	8,550.00

Adjournment Fees

Adjournments requested during these proceedings:

Hearing Date(s), June 7-11, 2004, adjournment requested by Respondent	= \$1,200.00
Hearing Date(s), April 4-8, 2005, adjournment requested by Claimant	= \$1,200.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted or each decision rendered on a discovery-related motion on the papers.. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing session(s) with a single arbitrator	@	\$450.00	\$	450.00
June 3, 2004	1	session		
4 Pre-hearing session(s) with Panel	@	1,200.00	\$	4,800.00
October 8, 2003	1	session		
May 19, 2004	1	session		
July 1, 2004	1	session		

February 22, 2005 1 session
Total Forum Fees \$ 5,250.00

The Arbitration Panel has assessed \$5,250.00 of the forum fees to Arlene D. Rowland.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Party Prudential Equity Group, LLC, requested service tape copying, cost. \$15.00.

Party Arlene D. Rowland, requested tape copying, cost. \$60.00.

Fee Summary

Claimant, Arlene D. Rowland, is liable for:

Initial Filing Fee	= \$	500.00
Adjournment Fee	= \$	1,200.00
Administrative Costs	= \$	60.00
<u>Forum Fees</u>	= \$	5,250.00
Total Fees	= \$	7,010.00
<u>Less payments</u>	= \$	-1,815.00
Balance Due NASD Dispute Resolution	= \$	5,195.00

Respondent, Prudential Equity Group, LLC, is liable for:

Member Fees	= \$	8,550.00
Adjournment Fee	= \$	1,200.00
Administrative Costs	= \$	15.00
Total Fees	= \$	9,765.00
<u>Less payments</u>	= \$	-9,765.00
Balance Due NASD Dispute Resolution	= \$	0.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Robert S. Mautner, Esq. - Public Arbitrator, Presiding Chair
Marc Kalish - Public Arbitrator
Ronald L. Peters, J.D. - Public Arbitrator

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Concurring Arbitrators:

Robert S. Mautner, Esq.
Robert S. Mautner, Esq.
Public Arbitrator, Presiding Chair

April 21, 2006
Signature Date

Marc Kallish
Public Arbitrator

Signature Date

Ronald L. Peters, J.D.
Non-Public Arbitrator

Signature Date

4/21/06
Date of Service (For NASD office use only)

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Concurring Arbitrators:

Robert J. Mautner, Esq.
Public Arbitrator, Presiding Chair

Marc Kalish
Public Arbitrator

Ronald L. Peters, J.D.
Non-Public Arbitrator

Signature Date

4/20/06

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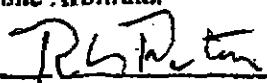
Concurring Arbitrators:

Robert S. Mautner, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Marc Kalish
Public Arbitrator

Signature Date



Ronald L. Peters, J.D.
~~Non-Public~~ Arbitrator

4-21-06
Signature Date

Date of Service (For NASD office use only)