

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Claimants

Dr. Donald L. Sween, individually and on
behalf of the Dr. Donald L. Sween IRA Rollover

v.

03-01815

Minneapolis, Minnesota

Respondents

Prudential Securities, Inc., n/k/a Prudential
Equities Group, LLC, and Jeffrey Starkman

Nature of Dispute: Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

Dr. Donald L. Sween, ("Sween"), individually and on behalf of the Dr. Donald L. Sween IRA Rollover ("Claimants"), were represented by Shawn M. Perry, Esq., of Perry, Perry & Perry, Minneapolis, Minnesota.

Prudential Securities, Inc., n/k/a Prudential Equities Group, LLC, ("Prudential") and Jeffrey Starkman ("Starkman"), hereinafter referred to as "Respondents", were represented by Mildred M. McLaney, Esq., of Prudential Equity Group, LLC, New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about March 14, 2003. The Submission Agreements of Claimants were signed on or about March 13, 2003.

The Statement of Answer was filed by Respondents Prudential Securities, Inc. n/k/a Prudential Equities Group, LLC on or about December 9, 2003. The Submission Agreement of Respondent Prudential Securities, Inc., n/k/a Prudential Equities Group, LLC, was signed on or about December 4, 2003.

CASE SUMMARY

Claimants asserted causes of action including the following: breach of fiduciary duty, negligence, violation of the Minnesota Consumer Fraud Act Minn. Stat. § 325F.69, failure to supervise and respondeat superior. The causes of action related to the Claimants' allegation that Respondent Starkman liquidated the entire fixed income portion of their IRA and reinvested the proceeds in Class B Shares of various unspecified equity mutual funds. Claimants stated that due to Claimant

Sween's limited understanding of securities investments and Sween's dependence on the IRA for living expenses, Respondents should have diversified his account.

Respondents denied the allegations set forth in the Statement of Claim and asserted defenses including the following: contrary to the allegations in the Statement of Claim, Claimant Sween did not have limited financial knowledge and experience; Claimant Sween instructed Starkman to sell his fixed income investments and invest more aggressively because he was investing for his children; and the supervision of Starkman by Prudential was more than adequate.

RELIEF REQUESTED

Claimants requested an award in the amount of \$500,000 in compensatory damages, plus \$500,000 in punitive damages, disgorgement of all commissions received for the purchase of securities in Dr. Sween's IRA, interest, costs, attorney's fees and any other relief that the panel deemed just and equitable.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees. In addition, Respondents requested that this matter be expunged from Respondent Jeffrey A. Starkman's permanent registration records maintained by the Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED & DECIDED

Respondent Jeffrey A. Starkman 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 is bound by the determination of the Panel on all issues submitted.

On or about July 18, 2003, the parties submitted a stipulation of dismissal without prejudice of all claims asserted against Respondent Jeffrey A. Starkman.

Prior to the hearing, the parties fully and finally settled all claims by and between them and as a result, Claimants agreed that all claims asserted against Respondents would be withdrawn. As part of their settlement agreement, the parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

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 originals remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings and the parties' request for a stipulated award, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims, having been withdrawn, are hereby dismissed with prejudice in their entirety;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Jeffrey A. Starkman's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Jeffrey A. Starkman must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. To the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto, including punitive damages, are denied with prejudice; and
4. 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.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$ 375

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. In this matter, the member firm is Prudential Securities, Inc., n/k/a Prudential Equities Group, LLC.

Member surcharge = \$ 2,250
Pre-hearing process fee = \$ 750

Hearing process fee

= \$ 4,000

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing 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 x \$ 1,200 = \$ 1,200

Pre-hearing conference: 04/05/2004 1 session

Total Forum Fees = \$ 1,200

The Arbitration Panel has assessed \$ 600 of the forum fees jointly and severally to Dr. Donald L. Sween individually and on behalf of the Dr. Donald L. Sween IRA Rollover.

The Arbitration Panel has assessed \$ 600 of the forum fees to Prudential Securities, Inc., n/k/a Prudential Equities Group, LLC.

Fee Summary

Claimants, Dr. Donald L. Sween, individually and on behalf of the Dr. Donald L. Sween IRA Rollover are jointly and severally liable for:

Initial Filing Fee	= \$ 375
Forum Fees	= \$ 600
Total Fees	= \$ 975
Less payments	= \$ 1,575
Balance Refunded By NASD Dispute Resolution	= \$ 600

Respondent, Prudential Securities, Inc., n/k/a Prudential Equities Group, LLC, is liable for:

Member Fees	= \$ 7,000
Forum Fees	= \$ 600
Total Fees	= \$ 7,600
Less payments	= \$ 8,000
Balance Refunded By NASD Dispute Resolution	= \$ 400

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

ARBITRATION PANEL

Kathy A. Tatone, JD - Public Arbitrator, Presiding Chair
Arthur Richard Tow, Esq. - Public Arbitrator
Annette W. Minor, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

Kathy A. Tatone, JD
Public Arbitrator, Presiding Chair

Signature Date

Arthur Richard Tow, Esq.
Public Arbitrator

Signature Date

Annette W. Minor, Esq.
Non-Public Arbitrator

Signature Date

9/1/04

Date of Service (NASD use only)

NASD Dispute Resolution, Inc.
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Arthur Richard Tow, Esq. - Public Arbitrator
Annette W. Minor, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

Kathy Tatone

Kathy A. Tatone, JD
Public Arbitrator, Presiding Chair

8/23/04
Signature Date

Arthur Richard Tow, Esq.
Public Arbitrator

Signature Date

Annette W. Minor, Esq.
Non-Public Arbitrator

Signature Date

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Non-Public Arbitrator

8-30-04

Signature Date

9/1/04

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