

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimants

Richard F. Oorlog, Individually, and
on behalf of The Richard F. Oorlog Trust

v.

03-02482
Minneapolis, Minnesota

Respondents

Prudential Securities, Inc., n/k/a Prudential Equity
Group, Inc., Prudential Investment
Corporation and William M. Turner, II

Nature of Dispute: Customers v. Member, Non-Member and Associated Person

REPRESENTATION OF PARTIES

Richard F. Oorlog, Individually, and on behalf of The Richard F. Oorlog Trust ("**Claimants**") were represented by Mark D. Wisser, Esq., of Anthony Ostlund & Baer, P.A., Minneapolis, Minnesota.

Prudential Securities, Inc., n/k/a Prudential Equity Group, Inc. ("**Prudential**") and William M. Turner, II ("**Turner**") were represented by Robert A.W. Boraks, Esq., of Garvey Schubert Barer, Washington, DC.

Prudential Investment Corporation ("**PIC**") did not appear.

CASE INFORMATION

The Statement of Claim was filed on or about April 3, 2003. Submission Agreements of Claimants were signed on or about April 3, 2003.

A Joint Statement of Answer was filed by Respondents Prudential Securities, Inc., n/k/a Prudential Equity Group, Inc. and William M. Turner, II on or about June 20, 2003. Submission Agreement of Respondent Prudential Securities, Inc., n/k/a Prudential Equity Group, Inc. was signed on or about June 17, 2003. Submission Agreement of Respondent William M. Turner, II was signed on or about May 22, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty, negligence, negligent supervision, violation of Federal Securities Laws, and violation of NASD Rules. The causes of

action related to Claimants' allegations that Respondents invested their holdings into an aggressive stock driven portfolio, consisting of various high-risk stocks, and advised them to short over \$1,000,000 in United States Treasury Strips. According to Claimants, these investment strategies were both inconsistent and unsuitable investments and in contrast to their conservative financial objectives. Claimants further asserted that because Respondents did not take appropriate steps to protect them against the risk of substantial losses or recommend an appropriate investment strategy, they were forced to suffer heavy losses.

Respondents denied the allegations set forth in the Statement of Claim and asserted affirmative defenses including the following: Claimants failed to state a claim upon which relief can be granted; Claimants expressly approved and ratified the acts and transactions complained of and upon which recovery is sought and as such Claimants are precluded from recovery based on the principles of ratification and waiver; Claimants' alleged losses were proximately caused by their own conduct or negligence or the acts of third parties or Claimants are guilty of contributory negligence in relation to the complaints of the transactions; and all risks concerning investing in securities were fully explained to Claimant, and they knowingly, willfully and voluntarily assumed the risks of their investments.

RELIEF REQUESTED

Claimants requested an award in the amount of \$450,000 in compensatory damages. In addition Claimants requested punitive damages, attorney's fees, costs, interest 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.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Prudential Investment Corporation is neither a NASD member firm nor an associated person of an NASD member firm. NASD Dispute Resolution did not receive a contract to arbitrate or a voluntary submission from Prudential Investment Corporation. Pursuant to the NASD Code of Arbitration Procedure, NASD does not have jurisdiction over this party. Therefore, the Panel did not adjudicate any of the claims asserted against Prudential Investment Corporation.

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, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents, Prudential Securities, Inc., n/k/a Prudential Equity Group, Inc., and William M. Turner, II, are jointly and severally liable for and shall pay to Claimants, Richard F. Oorlog, Individually, and on behalf of The Richard F. Oorlog Trust, the sum of Seventy Five Thousand Dollars and No Cents (\$75,000.00) as compensatory damages;
2. 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
3. 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 = \$ 300.00

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

Member surcharge = \$ 1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 2,750.00

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$ 1,125.00 = \$ 1,125.00

Pre-hearing conference: 11/12/2003 1 session

Six (6) Hearing sessions with Panel x \$ 1,125.00 = \$ 6,750.00

Hearing Dates: 03/09/2004 2 sessions
03/10/2004 2 sessions
03/11/2004 2 sessions

Total Forum Fees = \$ 7,875.00

The Arbitration Panel has assessed \$ 3,937.50 of the forum fees jointly and severally to Richard F. Oorlog, Individually, and on behalf of The Richard F. Oorlog Trust.

The Arbitration Panel has assessed \$ 3,937.50 of the forum fees jointly and severally to Prudential Securities, Inc., n/k/a Prudential Equity Group, Inc. and William M. Turner, II.

Fee Summary

Claimants, Richard F. Oorlog, Individually, and on behalf of The Richard F. Oorlog Trust is liable for:

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

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

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Prudential Securities, Inc., n/k/a Prudential Equity Group, Inc., and William M. Turner, II are jointly and severally liable for:

Forum Fees	= \$ 3,937.50
Total Fees	= \$ 3,937.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 3,937.50

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

Mark S. Gleason, Esq. - Public Arbitrator, Presiding Chair
Steven E. Reichert, Esq. - Public Arbitrator
Lawrence J. Welte, VP- Non-Public Arbitrator

Concurring Arbitrators:

Mark S. Gleason, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Steven E. Reichert, Esq.
Public Arbitrator

Signature Date

Lawrence J. Welte, VP
Non-Public Arbitrator

Signature Date

3/22/04
Date of Service (NASD use only)

Respondents, Prudential Securities, Inc., n/k/a Prudential Equity Group, Inc., and William M. Turner, II are jointly and severally liable for:

Forum Fees	= \$ 3,937.50
Total Fees	= \$ 3,937.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 3,937.50

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Steven E. Reichert, Esq. - Public Arbitrator
Lawrence J. Welte, VP- Non-Public Arbitrator

Concurring Arbitrators:

Mark S. Gleason
Mark S. Gleason, Esq.
Public Arbitrator, Presiding Chair

3/19/04
Signature Date

Steven E. Reichert, Esq.
Steven E. Reichert, Esq.
Public Arbitrator

Signature Date

Lawrence J. Welte, VP
Lawrence J. Welte, VP
Non-Public Arbitrator

Signature Date

1/23/04
Date of Service (NASD use only)

Respondents, Prudential Securities, Inc., n/k/a Prudential Equity Group, Inc., and William M. Turner, II are jointly and severally liable for:

Forum Fees	= \$ 3,937.50
Total Fees	= \$ 3,937.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 3,937.50

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Mark S. Gleason, Esq.
Public Arbitrator, Presiding Chair



Steven E. Reichert, Esq.
Public Arbitrator

Signature Date

3/22/04

Signature Date

Lawrence J. Welte, VP
Non-Public Arbitrator

Signature Date

2/23/04

Date of Service (NASD use only)

Respondents, Prudential Securities, Inc., n/k/a Prudential Equity Group, Inc., and William M. Turner, II are jointly and severally liable for:

Forum Fees	= \$ 3,937.50
Total Fees	= \$ 3,937.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 3,937.50

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Mark S. Gleason, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Steven E. Reichert, Esq.
Public Arbitrator

Signature Date

Lawrence J. Welte
Lawrence J. Welte, VP
Non-Public Arbitrator

3/20/04
Signature Date

3/23/04
Date of Service (NASD use only)