

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Paul Kelly

Case Number: 03-03705

Name of the Respondents
Prudential Equity Group, LLC
Joseph Patrick Brennan
Rees Truman Harris

Hearing Site: Philadelphia, Pennsylvania

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

REPRESENTATION OF PARTIES

Claimant, Paul Kelly ("Kelly"), hereinafter referred to as "Claimant", was represented by Michael T. Conway, Esq., Lazare Potter Giacobas & Kranjac LLP, New York, New York.

Respondents, Prudential Equity Group, LLC ("Prudential"), Joseph Patrick Brennan ("Brennan") and Rees Truman Harris ("Harris"), hereinafter collectively referred to as "Respondents", were represented by Christopher Lewis, Esq., Duane Morris LLP, New York, New York

CASE INFORMATION

Statement of Claim filed on May 19, 2003.

Amended Statement of Claim filed on October 3, 2003.

Claimant signed the Uniform Submission Agreement on May 15, 2003.

Statement of Answer, Motion for a More Definite Statement of Claim, and Motion to Dismiss Respondent Harris filed by Respondents on August 6, 2003.

Motion to Dismiss and Renewed Motion for More Definite Statement of Claim filed on December 30, 2003.

Claimant's Response to Respondents' Motion to Dismiss and Renewed Motion for More Definite Statement of Claim filed on January 20, 2004.

CASE SUMMARY

Claimant, in his Statement of Claim and Amended Statement of Claim, asserted the following causes of action, among others: unauthorized trading, suitability, churning, fraud, failure to supervise, and respondeat superior. The causes of action relate to the purchase and sale of unspecified mutual funds.

Unless specifically admitted in their Original Answer and Answer to the Amended Statement of Claim, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief may be granted, statutes of limitations, estoppel, ratification, waiver, and failure to mitigate.

RELIEF REQUESTED

Claimant requested the following damages:

Compensatory Damages	\$ 130,000.00
Punitive Damages	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents requested that the claims be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Prudential, Brennan and Harris did not file with NASD Dispute Resolution, a properly executed submission to arbitration but are required to submit to arbitration pursuant to the Code of Arbitration Procedure (the "Code") and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

Prior to the hearing, the Parties fully and finally settled all claims by and between them. Therefore, the Parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

AWARD

Pursuant to the above, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The listed parties have amenablely resolved their differences and have requested this Stipulated Award;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Brennan and Harris' 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, Respondents Brennan and Harris must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. The parties shall bear their respective costs, including attorney's fees, except as Fees are specifically addressed below; and
4. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

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 = \$ 300.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, Respondent Prudential is a party.

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

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

Two (2) Pre-hearing sessions with Panel @ \$ 1,125	= \$ 2,250.00
Pre-hearing conferences: February 11, 2004 1 session	
October 5, 2004 1 session	
<u>Total Forum Fees</u>	<u>= \$ 2,250.00</u>

The parties have agreed that Respondents shall jointly and severally be assessed \$ 2,250.00 of the forum fees.

FEE SUMMARY

Claimant, Kelly, is assessed and shall pay the following fees:

<u>Initial Filing Fee</u>	<u>= \$ 300.00</u>
Total Fees	= \$ 300.00
<u>Less payments</u>	<u>= \$ 1,425.00</u>
Refund owed to Claimant	= \$ 1,125.00

Respondent, Prudential, is assessed and shall pay the following fees:

<u>Member Fees</u>	<u>= \$ 5,200.00</u>
Total Fees	= \$ 5,200.00
<u>Less payments</u>	<u>= \$ 5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 00.00

Respondents Prudential, Brennan and Harris are jointly and severally assessed and shall pay the following fees:

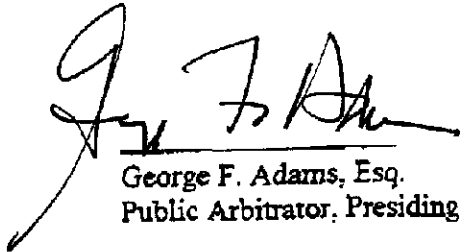
Forum Fees	= \$ 2,250.00
Total Fees	= \$ 2,250.00
Less payments	= \$ 00.00
Balance Due NASD Dispute Resolution	= \$ 2,250.00

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


ARBITRATION PANEL

George F. Adams, Esq.	-	Public Arbitrator, Presiding Chairperson
Joseph Straus, Jr.	-	Public Arbitrator, Panelist
Charles W. Lake	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



George F. Adams, Esq.
Public Arbitrator, Presiding Chairperson

1/27/05


Signature Date

Joseph Straus, Jr.
Public Arbitrator, Panelist

Signature Date

Charles W. Lake
Non-Public Arbitrator, Panelist

Signature Date

February 12, 2005
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

George F. Adams, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Joseph Straus, Jr.
Joseph Straus, Jr.
Public Arbitrator, Panelist

1/26/05
Signature Date

Charles W. Lake
Non-Public Arbitrator, Panelist

Signature Date

February 12, 2005
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

George F. Adams, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Joseph Straus, Jr.
Public Arbitrator, Panelist

Signature Date

Charles W. Lake
Charles W. Lake
Non-Public Arbitrator, Panelist

Charles 1/28/05
Signature Date

February 12, 2005
Date of Service (For NASD Dispute Resolution office use only)