

**STIPULATED AWARD  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of Claimant

Garrison Clarke

vs.

Case Number: 03-03747  
Hearing Site: Chicago, Illinois

Names of Respondents

Prudential Equity Group, LLC  
and Bonnie Schultz

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**NATURE OF THE DISPUTE**

Customer vs. Member and Associated Person

**REPRESENTATION OF PARTIES**

Garrison Clarke ("Claimant") was represented by Barbara A. Mallon, Esq., Mallon & Johnson, PC, Chicago, Illinois.

Prudential Equity Group, LLC ("Prudential") was represented by Mildred M. McLaney, Esq., Prudential Securities, New York, New York.

Bonnie Schultz ("Schultz") was represented by Mildred McLaney, Esq., Prudential Securities, until June 29, 2006. After that date, Bonnie Schultz appeared pro se.

**CASE INFORMATION**

The Statement of Claim was filed on or about May 22, 2003. The Submission Agreement of Claimant, Garrison Clarke, was signed on or about February 18, 2003.

The Statement of Answer was filed jointly by Respondents on or about September 26, 2003.

**CASE SUMMARY**

Claimant asserted the following causes of action: unsuitable recommendations; misrepresentations; and failure to supervise. The causes of action related to the recommendation of Respondents, Prudential and Schultz, that Claimant invest in two limited partnerships, Cornerstone Propane Partners, L.P. and Crimi Mae, Inc., and a stock purchase in Genesis Energy, L.P. Claimant alleged that these investments were

unsuitable for his investment objectives.

Unless specifically admitted in their Answer, Respondents, Prudential and Schultz, denied the allegations made in the Statement of Claim and asserted that: Claimant's account was not a trading account; the supervision of Schultz by Prudential was more than adequate; Claimant's Statement of Claim is untenable; and the claim is frivolous and without merit.

### **RELIEF REQUESTED**

Claimant requested an award in the amount of:

|                             |              |
|-----------------------------|--------------|
| Actual/Compensatory Damages | \$ 80,211.00 |
| Exemplary/Punitive Damages  | Unspecified  |
| Interest                    | Unspecified  |
| Attorneys' Fees             | Unspecified  |
| Other Costs                 | Unspecified  |
| Other Monetary Relief       | Unspecified  |

Respondents, Prudential and Schultz, requested that the claims asserted against them be dismissed with prejudice and that they be awarded their costs and attorneys' fees. Schultz requested expungement of all references to this matter from her CRD record.

### **OTHER ISSUES CONSIDERED & DECIDED**

Respondents, Prudential Equity Group, LLC and Bonnie Schultz, did not file with the NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and participated at the pre-hearings, are bound by the determination of the Panel on all issues submitted.

On or about February 8, 2005, NASD Dispute Resolution was notified that the parties settled the matter. Respondents requested entry of a Stipulated Award. Claimant agreed to the entry of a Stipulated Award.

The parties have accepted the composition of the Panel.

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.

### **AWARD**

In lieu of a hearing and upon the motion of the parties for the entry of an Award, the written stipulation thereto, and after considering the pleadings and the request for the Stipulated Award, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1.) All claims having been withdrawn or settled, the same are hereby dismissed with prejudice and without costs, except as specified hereinafter;
- 2.) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent, Bonnie Schultz's, registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent, Bonnie Schultz, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 3.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 4.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

### **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 = \$ 225.00

#### **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 Equity Group, LLC.

Member surcharge = \$ 1,100.00

|                         |               |
|-------------------------|---------------|
| Pre-hearing process fee | = \$ 750.00   |
| Hearing process fee     | = \$ 1,700.00 |

### **Adjournment Fees**

Adjournments granted during these proceedings:

|  |             |
|--|-------------|
| September 8 – 10, 2004, adjournment requested jointly by the parties | = \$ 750.00 |
|--|-------------|

### **Forum Fees and Assessments**

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

|   |                     |
|---|---------------------|
| Two (2) Pre-hearing sessions with Panel x \$750.00        | = \$ 1,500.00       |
| Pre-hearing conferences: December 15, 2003      1 session |                     |
| February 13, 2004      1 session                          |                     |
| <hr/> Total Forum Fees                                    | <hr/> = \$ 1,500.00 |

The Panel has assessed \$500.00 of the forum fees to Garrison Clarke.

The Panel has assessed \$500.00 of the forum fees to Prudential Equity Group, LLC.

The Panel has assessed \$500.00 of the forum fees to Bonnie Schultz.

### **FEE SUMMARY**

Claimant, Garrison Clarke, is liable for:

|   |                   |
|---|-------------------|
| Initial Filing Fee                        | = \$ 225.00       |
| Adjournment Fee                           | = \$ 250.00       |
| Forum Fees                                | = \$ 500.00       |
| <hr/> Total Fees                          | <hr/> = \$ 975.00 |
| Less payments                             | = \$ 975.00       |
| <hr/> Balance Due NASD Dispute Resolution | <hr/> = \$ 0.00   |

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

|   |                     |
|---|---------------------|
| Member Fees                               | = \$ 3,550.00       |
| Adjournment Fee                           | = \$ 250.00         |
| Forum Fees                                | = \$ 500.00         |
| <hr/> Total Fees                          | <hr/> = \$ 4,300.00 |
| Less payments                             | = \$ 4,300.00       |
| <hr/> Balance Due NASD Dispute Resolution | <hr/> = \$ 0.00     |

Respondent, Bonnie Schultz, is liable for:

|                                     |      |               |
|-------------------------------------|------|---------------|
| Forum Fees                          | = \$ | 500.00        |
| <u>Adjournment Fee</u>              | = \$ | <u>250.00</u> |
| Total Fees                          | = \$ | 750.00        |
| <u>Less payments</u>                | = \$ | <u>750.00</u> |
| Balance Due NASD Dispute Resolution | = \$ | 0.00          |

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

**ARBITRATION PANEL**

Robert J. Downing, Esq. - Public Arbitrator, Presiding Chair  
John E. Sundeen - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ Robert J. Downing, Esq.  
Robert J. Downing, Esq.  
Public Arbitrator, Presiding Chair

November 7, 2006  
Signature Date

/s/ John E. Sundeen  
John E. Sundeen  
Non-Public Arbitrator

November 10, 2006  
Signature Date

November 21, 2006  
Date of Service (For NASD office use only)

Respondent, Bonnie Schultz, is liable for:

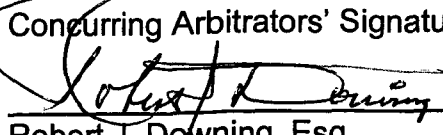
|                                     |      |        |
|-------------------------------------|------|--------|
| Forum Fees                          | = \$ | 500.00 |
| Adjournment Fee                     | = \$ | 250.00 |
| Total Fees                          | = \$ | 750.00 |
| Less payments                       | = \$ | 750.00 |
| Balance Due NASD Dispute Resolution | = \$ | 0.00   |

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Robert J. Downing, Esq. - Public Arbitrator, Presiding Chair  
John E. Sundeen - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

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

11/7/06  
Signature Date

\_\_\_\_\_  
John E. Sundeen  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Date of Service (For NASD office use only)

Respondent, Bonnie Schultz, is liable for:

|                                     |      |        |
|-------------------------------------|------|--------|
| Forum Fees                          | = \$ | 500.00 |
| Adjournment Fee                     | = \$ | 250.00 |
| Total Fees                          | = \$ | 750.00 |
| Less payments                       | = \$ | 750.00 |
| Balance Due NASD Dispute Resolution | = \$ | 0.00   |

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

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Robert J. Downing, Esq. - Public Arbitrator, Presiding Chair  
John E. Sundeen - Non-Public Arbitrator

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Public Arbitrator, Presiding Chair

  
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John E. Sundeen  
Non-Public Arbitrator

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Signature Date

  
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Signature Date

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Date of Service (For NASD office use only)