

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Steven and Rose Berman and Steven Berman IRA (Claimants) v. Prudential Equity Group, LLC
f/k/a Prudential Securities, Inc. (Respondent)

Case Number: 03-04315

Hearing Site: New York, New York

Nature of the Dispute: Customers vs. Member.

REPRESENTATION OF PARTIES

Claimants Steven and Rose Berman ("The Bermans") and Steven Berman IRA ("S. Berman IRA") hereinafter collectively referred to as "Claimants": Stuart D. Meissner, Esq., Stuart D. Meissner, LLC, New York, NY.

Respondent Prudential Equity Group, LLC f/k/a Prudential Securities, Inc. ("Prudential") hereinafter referred to as "Respondent": Gabrielle Gould, Esq., Kramer Levin Naftalis & Frankel, LLP, New York, NY. Previously represented by: Mildred M. McLaney, Esq., Prudential Equity Group, LLC, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: June 12, 2003.

Claimants signed the Uniform Submission Agreement: May 29, 2003.

Statement of Answer filed by Respondent on or about: August 24, 2003.

Respondent signed the Uniform Submission Agreement: August 25, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5; common law fraud; violation of New York State General Business Law §349; breach of fiduciary duty; breach of the covenant of good faith and fair dealing; negligent supervision; breach of contract; Section 20 violations; fraudulent inducement; and respondeat superior. Claimants' claim involved unspecified securities.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$208,434.00 for the Bermans; compensatory damages in the amount of \$119,642.00 for S. Berman IRA; pre- and post-judgment interest at the statutory rate of 9% per CPLR 5004, totaling \$29,526.00, compounded per year since March 2000; attorneys' fees permitted under Section 349 of New York's General Business Law; and costs.

Respondent requested that the Panel deny Claimants' claim in its entirety; and costs and expenses.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, Claimant moved to recuse arbitrator Robert Youdelman. Arbitrator Youdelman denied the motion.

During the hearing, Claimant moved to recuse arbitrator Marc Green. Arbitrator Green denied the motion.

At the conclusion of Claimant's case, Respondent moved to dismiss the claims for failure to state a *prima facie* case. The Panel denied the motion.

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

After considering the pleadings and the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable for and shall pay to Claimants, Steven and Rose Berman, compensatory damages in the amount of \$36,000.00.
2. Any and all relief not specifically addressed herein, including attorneys' fees, is denied.

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 firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Prudential Equity Group, LLC f/k/a Prudential Securities, Inc. is a party.

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

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the 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 @ \$1,125.00 = \$ 2,250.00

Pre-hearing conferences: June 24, 2004 1 session
 August 9, 2004 1 session

Ten (10) Hearing sessions @ \$1,125.00 = \$11,250.00

Hearing Dates: October 5, 2004 2 sessions
 October 6, 2004 2 sessions
 October 7, 2004 2 sessions
 October 13, 2004 2 sessions
 October 14, 2004 2 sessions

Total Forum Fees = \$13,500.00

The Panel has assessed \$13,500.00 of the forum fees solely against Respondent.

Fee Summary

1. Claimants are jointly and severally liable for:

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

2. Respondent is solely liable for:

Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	<u>= \$13,500.00</u>
Total Fees	= \$18,700.00
<u>Less payments</u>	<u>= \$ 2,450.00</u>
Balance Due NASD Dispute Resolution	= \$16,250.00

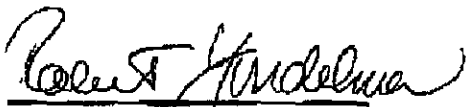
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Robert Youdelman, Esq.	-	Public Arbitrator, Presiding Chairperson
Madelon M. Rosenfeld, Esq.	-	Public Arbitrator
Marc R. Green, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument is which is my award.



Robert Youdelman, Esq.
Public Arbitrator, Presiding Chairperson


Signature Date

Madelon M. Rosenfeld, Esq.
Public Arbitrator

Signature Date

Marc R. Green, Esq.
Non-Public Arbitrator

Signature Date

October 25, 2004
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

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Robert Youdelman, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Madelon Rosenfeld, Esq.

Madelon M. Rosenfeld, Esq.
Public Arbitrator

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Signature Date

Marc R. Green, Esq.
Non-Public Arbitrator

Signature Date

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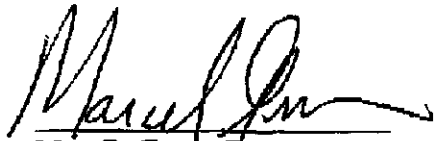
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Robert Youdelman, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Madelon M. Rosenfeld, Esq.
Public Arbitrator

Signature Date



Marc R. Green, Esq.
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Signature Date

October 25, 2004
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