

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Claimant/Counter-Respondent

Carl W. Busch

vs.

Case Number: 03-04521

Hearing Site: Oklahoma City, Oklahoma

Respondent/Counter-Claimant

Prudential Equity Group, LLC
f/k/a Prudential Securities, Inc.

NATURE OF THE DISPUTE

Associated Person v. Member

REPRESENTATION OF PARTIES

Carl W. Busch ("Busch" or "Claimant") was represented by Joan A. Renegar, Esq., Kornfeld Franklin Renegar & Randall, Oklahoma City, Oklahoma.

Prudential Equity Group, LLC ("Prudential" or "Respondent") was represented by Timothy A. Carney, Esq., Gable & Gotwals, Tulsa, Oklahoma.

CASE INFORMATION

The Statement of Claim was filed on or about June 23, 2003. The Submission Agreement of Claimant was signed on or about June 17, 2003. Claimant's First Amended Statement of Claim was filed on or about July 24, 2003. Claimant's Answer to Prudential's Counterclaim was filed on or about May 26, 2005. Claimant's Second Amended Statement of Claim was filed on or about June 14, 2005.

The Statement of Answer was filed by Prudential on or about September 17, 2003. The Submission Agreement of Respondent was signed on or about September 16, 2003. Prudential's Answer to Claimant's First Amended Statement of Claim and Counterclaim was filed on or about April 22, 2004. Prudential's Answer to Claimant's Second Amended Statement of Claim was filed on or about July 22, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: age discrimination; breach of implied contract; breach of executed oral contract; retaliation; breach of implied covenant of good faith and fair dealing; wrongful termination; and defamation. Claimant alleged that Respondent unjustly terminated him and damaged his professional reputation.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Busch failed to state a claim upon which relief can be granted; Busch failed to mitigate his damages; any damages suffered by Busch are a result of his own actions, and not the result of any action or inaction by Prudential; and all actions taken by Prudential were done for legitimate, non-discriminatory business reasons.

In its Counterclaim, Prudential asserted that Busch breached the parties' agreement by refusing to execute their written agreement.

Unless specifically admitted in his Answer to the Counterclaim, Busch denied each and every allegation of wrongdoing and liability.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$2,500,000.00
Exemplary/Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondent requested that the claims asserted against it be denied in their entirety.

In the Counterclaim, Prudential Equity Group, LLC requested an award in the amount of:

Actual/Compensatory Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified

Claimant requested that the claims asserted against him be denied in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

During the May 11, 2005 pre-hearing conference call, Claimant orally argued his Motion for Leave to File a Second Amended Statement of Claim. The Panel granted the motion.

On June 14, 2005, Claimant filed a Second Amended Statement of Claim, amending his actual damages to \$6,000,000.00.

During the July 10, 2006 opening statements, Claimant requested that he be awarded his accrued Mastershare.

Claimant's Motion to Strike the Supplement to Respondent's Pre-Hearing Brief was filed on or about November 27, 2006.

Respondent's Response to the Motion to Strike the Supplement to Respondent's Pre-hearing Brief was filed on or about November 30, 2006.

On or about December 11, 2006, the Panel entered an Order denying Claimant's Motion to Strike and granting Claimant until December 15, 2006, to submit a response to Respondent's Pre-Hearing Brief.

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

- 1) Respondent, Prudential Equity Group, LLC, is liable for and shall pay to Claimant, Carl W. Busch, the sum of \$650,000.00 in compensatory damages;
- 2) Respondent, Prudential Equity Group, LLC, is liable for and shall pay to Claimant, Carl W. Busch, all Mastershare, which at this time is approximately worth the sum of \$124,999.00;
- 3) Respondent, Prudential Equity Group, LLC, is liable for and shall pay to Claimant, Carl W. Busch, the sum of \$90,786.66 in costs;
- 4) Respondent, Prudential Equity Group, LLC, shall reimburse to Claimant, Carl W. Busch, the NASD initial filing fee of \$600.00; and

- 5) 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 fees for each claim:

Initial claim filing fee	= \$ 600.00
Counterclaim filing fee	= \$ 500.00

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	= \$3,350.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,500.00

Adjournment Fees

Adjournments granted during these proceedings:

May 17-24, 2004, adjournment requested by both parties (Waived by the Panel)	= \$1,200.00
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September 13-20, 2004, adjournment requested by both parties	= \$1,500.00
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March 6-10, 2006, adjournment requested by Prudential (Waived by the Panel)	= \$1,200.00
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Forum Fees and Assessments

The Panel has assessed forum fees for each hearing session conducted or each decision rendered on a discovery-related motion on the papers. 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:

One (1) Decision on discovery-related motion on the papers
with one (1) arbitrator @ \$200.00 = \$ 200.00
Claimant submitted one (1) discovery-related motion

Eight (8) Pre-hearing sessions with Panel x \$1,200.00 = \$ 9,600.00

Pre-hearing conferences:

December 19, 2003	1 session
May 9, 2005	1 session
May 24, 2005	1 session
September 12, 2005	1 session
January 13, 2006	1 session
March 8, 2006	1 session
November 14, 2006	1 session
November 16, 2006	1 session

Twenty-four (24) Hearing sessions x \$1,200.00 = \$28,800.00

Hearing Dates:

July 10, 2006	2 sessions
July 11, 2006	3 sessions
July 12, 2006	3 sessions
July 13, 2006	3 sessions
July 14, 2006	2 sessions
October 16, 2006	3 sessions
October 17, 2006	2 sessions
October 18, 2006	1 session
October 19, 2006	3 sessions
October 20, 2006	2 sessions

Total Forum Fees = \$38,600.00

The Panel has assessed \$38,600.00 of the forum fees to Prudential Equity Group, LLC.

FEE SUMMARY

Claimant, Carl W. Busch, is liable for:

Initial Filing Fee	= \$ 600.00
Adjournment Fee	= \$ 750.00
Total Fees	= \$ 1,350.00
Less payments	= \$ 2,450.00
Refund Due Claimant	= \$ 1,100.00

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

Member Fees	= \$ 9,600.00
Counterclaim Filing Fee	= \$ 500.00
Adjournment Fee	= \$ 750.00
Forum Fees	= \$38,600.00
Total Fees	= \$49,450.00

<u>Less payments</u>	<u>= \$11,850.00</u>
Balance Due NASD Dispute Resolution	= \$37,600.00

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

ARBITRATION PANEL

Ann Blaess Kimball, Esq. – Public Arbitrator, Presiding Chair
Raymond E. Tompkins, JD - Public Arbitrator
Maxel B. Silverberg, Esq. - Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ Ann Blaess Kimball, Esq.
Ann Blaess Kimball, Esq.
Public Arbitrator, Presiding Chair

12/28/06
Signature Date

/s/ Raymond E. Tompkins, JD
Raymond E. Tompkins, JD
Public Arbitrator

12/28/06
Signature Date

/s/ Maxel B. Silverberg, Esq.
Maxel B. Silverberg, Esq.
Public Arbitrator

1/04/07
Signature Date

12/29/06
Date of Service (For NASD office use only)

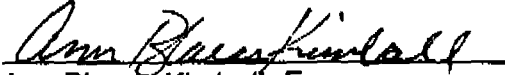
Counterclaim Filing Fee	= \$ 500.00
Adjournment Fee	= \$ 750.00
Forum Fees	= \$38,600.00
Total Fees	= \$49,450.00
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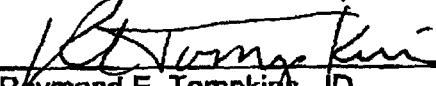
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Counterclaim Filing Fee	= \$ 500.00
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1/4/07

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