

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Juan Esteve Uribe and Isabel Gamez Velasquez de Esteve (Claimants) v. Prudential Equity Group, LLC f/k/a Prudential Securities, Inc. and Federico Luis Pier (Respondents)

Case Number: 03-04653

Hearing Site: New York, New York

Nature of the Dispute: Customers v. Member and Associated Person.

REPRESENTATION OF PARTIES

Claimants Juan Esteve Uribe ("Uribe") and Isabel Gamez Velasquez de Esteve ("Esteve") hereinafter collectively referred to as "Claimants": Daniel Kornstein and Alexander H. Shapiro, Esq., Kornstein Veisz Wexler & Pollard, LLP, New York, NY.

Respondents Prudential Equity Group, LLC f/k/a Prudential Securities, Inc. ("Prudential") and Federico Luis Pier ("Pier") hereinafter collectively referred to as "Respondents": Robert A.W. Boraks, Esq., Garvey Schubert Barer, P.C., Washington, D.C.

CASE INFORMATION

Statement of Claim filed on or about: June 26, 2003.

Claimants signed the Uniform Submission Agreement: June 25, 2003.

Joint Statement of Answer filed by Respondents on or about: October 7, 2003.

Respondent Prudential did not sign the Uniform Submission Agreement.

Respondent Pier did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability; common law fraud; negligent misrepresentation; conflict of interest; excessive trading; breach of common law fiduciary duty; breach of contract; breach of duty of fair dealing; and negligent failure to supervise. Claimants' claim involved corporate bonds including, but not limited to, Scotiabank Quilmes, S.A. and Alestra, S.A., de R.L. de C.V.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$5,228,000.00 and punitive damages in an amount of \$5,000,000.00 on the first through fourth claims, compensatory damages in the amount of \$247,000.00 and punitive damages in the amount of \$1,000,000.00 on the fifth through eighth claims, unspecified compensatory damages and punitive damages in the amount of \$5,000,000.00 on the eighth claim, and compensatory damages in the amount of \$5,475,775.00 and punitive damages in the amount of \$5,000,000.00 on the ninth through twelfth claims; and such other relief as the Panel deems just.

Respondents requested that the Panel dismiss the claim in its entirety, with prejudice; deny Claimants any award or recovery and award Respondents reasonable attorneys' fees and costs; order that this case be expunged from Respondent Pier's records with NASD's Central Registration Depository; and such other and further relief as is just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and, having answered the claim, and appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

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. Claimants' claims are dismissed in their entirety.
2. Any and all relief not specifically addressed herein, including punitive damages, 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 = \$ 600.00

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 = \$3,750.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$5,500.00

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:

Three (3) Pre-hearing sessions with a single arbitrator @ \$450.00 = \$ 1,350.00

Pre-hearing conferences: July 29, 2004 1 session

August 16, 2004 1 session

September 30, 2004 1 session

One (1) Pre-hearing session with Panel @ \$1,200.00 = \$ 1,200.00

Pre-hearing conference: March 25, 2004 1 session

Ten (10) Hearing sessions @ \$1,200.00 = \$12,000.00

Hearing Dates: October 4, 2004 2 sessions

October 5, 2004 2 sessions

October 6, 2004 2 sessions

October 7, 2004 2 sessions

October 8, 2004 2 sessions

Total Forum Fees = \$14,550.00

1. The Panel has assessed \$14,550.00 of the forum fees against Prudential.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee = \$ 600.00

Total Fees = \$ 600.00

| | |
|----------------------|---------------|
| <u>Less payments</u> | = \$ 1,800.00 |
| Refund Due Claimants | = \$ 1,200.00 |

2. Respondent Prudential is solely liable for:

| | |
|-------------------------------------|---------------|
| Member Fees | = \$10,000.00 |
| <u>Forum Fees</u> | = \$14,550.00 |
| <u>Total Fees</u> | = \$24,550.00 |
| <u>Less payments</u> | = \$10,000.00 |
| Balance Due NASD Dispute Resolution | = \$14,550.00 |


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

ARBITRATION PANEL

| | | |
|-----------------------|---|--|
| Eric P. Nachman, Esq. | - | Public Arbitrator, Presiding Chairperson |
| Ernest Fanwick, Esq. | - | Public Arbitrator |
| David L. Binhak | - | 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.


Eric P. Nachman, Esq.
Public Arbitrator, Presiding Chairperson


Signature Date

Ernest Fanwick, Esq.
Public Arbitrator

Signature Date

David L. Binhak
Non-Public Arbitrator

Signature Date

October 11, 2004
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

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Signature Date

Ernest Fanwick
Ernest Fanwick, Esq.
Public Arbitrator

10/9/04
Signature Date

David L. Binhak
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Concurring Arbitrators' Signatures

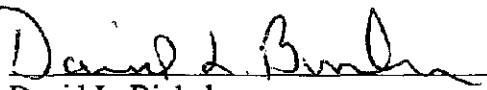
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Ernest Fanwick, Esq.
Public Arbitrator

Signature Date



David L. Binhak
Non-Public Arbitrator

10/11/04

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