

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Jason E. Arndt and Julia M. Arndt, Claimants v. Prudential Securities Incorporated (n/k/a Prudential Equity Group, LLC), Wachovia Securities, LLC, and Wilton Wai Owyang, Respondents

Case Number: 03-05238

Hearing Site: San Francisco, California

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

REPRESENTATION OF PARTIES

For Claimants:

Mitchell S. Ostwald, Esq.
Law Offices of Mitchell S. Ostwald
Sacramento, California

For Respondents Prudential Securities Incorporated
and Wilton Wai Owyang (while employed at
Prudential Securities Incorporated):

Charles B. LaChaussee
Prudential Equity Group, LLC
San Francisco, California

For Respondents Wachovia Securities, LLC,
and Wilton Wai Owyang (while employed at
Wachovia Securities, LLC):

Philip A. McCleod, Esq.
Keesal, Young & Logan
San Francisco, California

CASE INFORMATION

Statement of Claim filed: July 11, 2003

Claimants' Joint Uniform Submission Agreement signed: June 30, 2003

Joint Statement of Answer filed by Respondents Prudential Securities Incorporated and Wilton Wai Owyang (while employed at Prudential Securities Incorporated): September 24, 2003

Joint Statement of Answer filed by Respondents Wachovia Securities, LLC and Wilton Wai Owyang (while employed at Wachovia Securities, LLC): November 5, 2003

Respondent Prudential Securities Incorporated's Uniform Submission Agreement signed:
September 17, 2003

Respondent Wachovia Securities, LLC's Uniform Submission Agreement signed: September 24,

2003

Respondent Wilton Wai Owyang's Uniform Submission Agreement signed: September 24, 2003

CASE SUMMARY

Claimants alleged breach of fiduciary duty, fraud, constructive fraud, failure to supervise, and violation of federal and state securities laws. Claimants' allegations involved various stocks including, but limited to, Cisco Systems and Broadvision, Inc.

Respondents Prudential Securities Incorporated and Wilton Wai Owyang (while employed at Prudential Securities Incorporated) denied the allegations of wrongdoing set forth in Claimants' Statement of Claim and asserted various affirmative defenses.

Respondents Wachovia Securities, LLC, and Wilton Wai Owyang (while employed at Wachovia Securities, LLC) denied the allegations of wrongdoing set forth in Claimants' Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested not less than \$398,655.00 in compensatory damages, disgorgement and restitution, lost opportunity cost, unspecified punitive damages, pre- and post-judgment interest, and costs, including attorney's fees.

Respondents Prudential Securities Incorporated and Wilton Wai Owyang (while employed at Prudential Securities Incorporated) requested dismissal of the Claimants' Statement of Claim in its entirety, expungement of all references to this matter from Respondent Wilton Wai Owyang's registration record maintained by the NASD Central Registration Depository ("CRD"), and costs.

Respondents Wachovia Securities, LLC and Wilton Wai Owyang (while employed at Wachovia Securities, LLC) requested dismissal of the Claimants' Statement of Claim in its entirety, expungement of all references to this matter from Respondent Wilton Wai Owyang's registration record maintained by the NASD Central Registration Depository ("CRD"), and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On October 31, 2003, Claimants and Claimants' counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the

California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimants shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

On January 27, 2005, Claimants advised NASD that the parties settled this matter and that the Respondents would be submitting a stipulated request for expungement of all references to this matter from Respondent Wilton Wai Owyang's registration records maintained by the NASD Central Registration Depository ("CRD"). On February 24, 2005, Respondent Wachovia Securities, LLC, submitted to NASD the aforementioned stipulated request for expungement executed by all party representatives. On May 25, 2005, the Panel held a telephonic conference with the parties regarding the expungement request. After due deliberation, the Panel granted the request for expungement.

The parties agreed that, due to the withdrawal of Arbitrator Henry Wong, the remaining two arbitrators on the Panel would decide the expungement request.

The parties 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 stipulation by the parties, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimants' claims are dismissed with prejudice.
- 2) The Panel recommends the expungement of all references to the above-captioned arbitration from Respondent Wilton Wai Owyang'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 Wilton Wai Owyang 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.
- 4) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Prudential Securities Incorporated is a party and the following fees are assessed:

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

The member firm Wachovia Securities, LLC, is a party and the following fees are assessed:

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 assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

(3) Pre-hearing conference sessions with the Panel @ \$1,125.00/session	= \$3,375.00
Pre-hearing conferences:	
February 6, 2004	1 session
October 5, 2004	1 session
May 25, 2005	1 session

Total Forum Fees	= \$3,375.00
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1. The Panel assessed \$562.50 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$562.50 of the forum fees jointly and severally to all Respondents.

3. Respondent Wachovia Securities, LLC, agreed to pay the \$1,125.00 in forum fees for the May 25, 2005, pre-hearing conference.
4. The \$1,125.00 forum fee for the October 5, 2004, pre-hearing conference is waived.

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 562.50
Total Fees	= \$ 862.50
Less payments	= \$(1,425.00)
Refund Due	= \$ (562.50)
2. Respondent Prudential Securities Incorporated is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Less payments	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 0.00
3. Respondent Wachovia Securities, LLC, is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 1,125.00
Total Fees	= \$ 6,325.00
Less payments	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 1,125.00
4. Respondents Prudential Securities Incorporated, Wachovia Securities, LLC, and Wilton Wai Owyang are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 562.50
Balance Due NASD Dispute Resolution	= \$ 562.50

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

ARBITRATION PANEL

Paul F. Faberman	-	Public Arbitrator, Presiding Chair
Thomas H. O'Connor	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Paul F. Faberman
Chair, Public Arbitrator

5/31/05
Signature Date

Thomas H. O'Connor
Non-Public Arbitrator

Signature Date

6/3/05
Date of Service


ARBITRATION PANEL

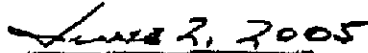
Paul F. Faberman	-	Public Arbitrator, Presiding Chair
Thomas H. O'Connor	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Paul F. Faberman
Chair, Public Arbitrator

Signature Date


Thomas H. O'Connor
Non-Public Arbitrator


Signature Date

6/3/05
Date of Service