

**Stipulated Award  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Ronald S. Kaplan, Aaron Kaplan Custodian Account, June Mayor, Lisa Kaplan Gordon and Gregory Gordon (Claimants) v. Prudential Equity Group, LLC, f/k/a Prudential Securities, Inc. and Paul C. Merenbloom, (Respondents)

Case Number: 03-05968

Hearing Site: New York, New York

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

**REPRESENTATION OF PARTIES**

Claimants, Ronald S. Kaplan ("R. Kaplan"), Aaron Kaplan Custodian Account ("A. Kaplan Cust. Acct."), June Mayor ("Mayor"), Lisa Kaplan Gordon ("L. Gordon") and Gregory Gordon ("G. Gordon"), hereinafter collectively referred to as "Claimants": Stephen B. Schneer, Esq., Stephen B. Schneer, LLC, New York, NY.

Respondents, Prudential Equity Group, LLC f/k/a Prudential Securities, Inc. ("Prudential") and Paul L. Merenbloom ("Merenbloom"), hereinafter collectively referred to as "Respondents": Stephanie Korenman, Esq., previously represented by Christopher N. Lewis, Esq., Duane Morris LLP, New York, NY. Previously represented by: James A. Tricarico, Jr., Esq., Kirkpatrick & Lockhart, LLP, New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: August 13, 2003.

Claimant R. Kaplan signed the Uniform Submission Agreement: August 9, 2003.

Claimant A. Kaplan Cust. Acct. signed the Uniform Submission Agreement: August 9, 2003.

Claimant Mayor signed the Uniform Submission Agreement: August 9, 2003.

Claimant L. Gordon signed the Uniform Submission Agreement: August 8, 2003.

Claimant G. Gordon signed the Uniform Submission Agreement: August 7, 2003.

Joint Statement of Answer filed by Respondents on or about: December 18, 2003

Respondent Prudential did not sign the Uniform Submission Agreement.

Respondent Merenbloom did not sign the Uniform Submission Agreement.

**CASE SUMMARY**

Claimants asserted the following causes of action: breach of contract, fraudulent inducement, violations of Section 10(b) and Rule 10b-5 promulgated thereunder and violation of Section 20

of the Securities Exchange Act of 1934; respondeat superior; negligent supervision and breach of fiduciary duties. The causes of action relate to Excite@Home common stock.

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

### **RELIEF REQUESTED**

Claimants requested compensatory damages in the amount of \$37,626.00 for A. Kaplan Cust. Acct.; compensatory damages in the amount of \$6,023.00 for R. Kaplan; compensatory damages in the amount of \$5,465.00 for Mayor; compensatory damages in the amount of \$10,029.10 for L. Gordon; compensatory damages in the amount of \$21,773.15 for G. Gordon; punitive damages; attorneys' fees; interest; and costs.

Respondents requested dismissal of the Statement of Claim in its entirety.

### **OTHER ISSUES CONSIDERED AND DECIDED**

On or about May 2, 2005, NASD Dispute Resolution was notified that Claimant dismissed all claims against Respondent Merenbloom.

On or about May 9, 2005, the remaining parties fully and finally settled all claims by and between them. The parties agree that the claims that were asserted against Merenbloom in the arbitration are substantially the same as the claims asserted by the related parties in the arbitration proceeding against Merenbloom in NASD No. 03-06665, in which the arbitration panel recommended the expungement of all reference to the arbitration from Mr. Merenbloom's registration records maintained by the NASD Central Registration Depository ("CRD").

Therefore, the Parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

Respondents Prudential and Merenbloom 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 are bound by the determination of the Panel on all issues submitted.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

### **DISSENTING ARBITRATOR'S COMMENT**

Arbitrator Michael Todd Clements' comment: "If the case is not heard, an arbitrator cannot grant an expungement without hearing the facts of the case."

### **AWARD**

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Claimants' claims are dismissed in their entirety.
2. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Paul L. Merenbloom's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Paul L. Merenbloom 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 attorneys' fees, except the fees that are specifically addressed below.
4. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

### **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 = \$ 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 persons at the time of the events giving rise to the dispute. In this matter, Prudential Equity Group, LLC f/k/a Prudential Securities, Inc. is a party.

Member Surcharge	= \$1,100.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$1,700.00</u>
Total Member Fees	= \$3,550.00

#### **Adjournment Fees**

The following adjournment fees are assessed:

September 14, 15, 21, 22, 2004, joint adjournment request	= \$ 750.00
Claimants' share	= \$375.00
Respondents' share	= \$375.00

**Forum Fees and Assessments**

The Panel assesses forum fees for each hearing session conducted. A hearing 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. Forum fees associated with these proceedings are:

Three (3) Pre-hearing conference sessions with the Panel @ \$750.00/session = \$2,250.00  
Pre-hearing conferences:

March 1, 2004 1 session

April 1, 2004 1 session

November 9, 2004 1 session

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Total Forum Fees = \$2,250.00

1. The Panel has assessed \$375.00 (50%) of the forum fees for the March 1, 2004 pre-hearing conference jointly and severally against the Claimants.
2. The Panel has assessed \$375.00 (50%) of the forum fees for the March 1, 2004 pre-hearing conference jointly and severally against the Respondents.
3. In accordance with Rule 10306 of the Code of Arbitration Procedure, each Claimant has been assessed \$214.28 of the forum fees for the April 1, 2004 and November 9, 2004 pre-hearing conferences.
4. In accordance with Rule 10306 of the Code of Arbitration Procedure, each Respondent has been assessed \$214.28 of the forum fees for the April 1, 2004 and November 9, 2004 pre-hearing conferences.

**Fee Summary**

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 225.00
Adjournment Fee	= \$ 375.00
<u>Forum Fees</u>	<u>= \$ 375.00</u>
Total Fees	= \$ 975.00
<u>Less payments</u>	<u>= \$ 975.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Claimant R. Kaplan is solely liable for:

<u>Forum Fees</u>	<u>= \$ 214.28</u>
Total Fees	= \$ 214.28
<u>Less payments</u>	<u>= \$ 214.28</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Claimant A. Kaplan Cust. Acct. is solely liable for:

<u>Forum Fees</u>	= \$ 214.28
<u>Total Fees</u>	= \$ 214.28
<u>Less payments</u>	= \$ 214.28
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Claimant Mayor is solely liable for:

<u>Forum Fees</u>	= \$ 214.28
<u>Total Fees</u>	= \$ 214.28
<u>Less payments</u>	= \$ 214.28
Balance Due NASD Dispute Resolution	= \$ 0.00

5. Claimant L. Gordon is solely liable for:

<u>Forum Fees</u>	= \$ 214.28
<u>Total Fees</u>	= \$ 214.28
<u>Less payments</u>	= \$ 214.28
Balance Due NASD Dispute Resolution	= \$ 0.00

6. Claimant G. Gordon is solely liable for:

<u>Forum Fees</u>	= \$ 214.28
<u>Total Fees</u>	= \$ 214.28
<u>Less payments</u>	= \$ 214.28
Balance Due NASD Dispute Resolution	= \$ 0.00

7. Respondents are jointly and severally liable for:

<u>Adjournment Fees</u>	= \$ 375.00
<u>Forum Fees</u>	= \$ 375.00
<u>Total Fees</u>	= \$ 750.00
<u>Less payments</u>	= \$ 160.72
Balance Due NASD Dispute Resolution	= \$ 589.28

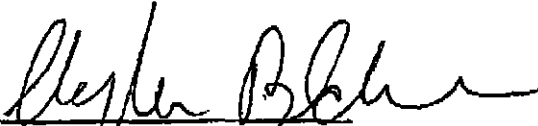
8. Respondent Prudential is solely liable for:

<u>Member Fees</u>	= \$3,550.00
<u>Forum Fees</u>	= \$ 214.28
<u>Total Fees</u>	= \$3,764.28
<u>Less payments</u>	= \$3,764.28
Balance Due NASD Dispute Resolution	= \$ 0.00

9. Respondent Merenbloom is solely liable for:

<u>Forum Fees</u>	= \$ 214.28
<u>Total Fees</u>	= \$ 214.28
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 214.28

Parties' Signatures



Stephen B. Schneer, Esq.  
Stephen B. Schneer, LLC  
Attorney for Claimants

10/5/2005  
Signature Date

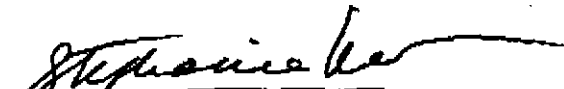
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Stephanie Korenman, Esq.  
Duane Morris LLP  
Attorney for Respondents

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Signature Date

Parties' Signatures

\_\_\_\_\_  
Stephen B. Schmeer, Esq.  
Stephen B. Schmeer, LLC  
Attorney for Claimants

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Signature Date

  
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Stephanie Korenman, Esq.  
Duane Morris LLP  
Attorney for Respondents

9/15/05  
\_\_\_\_\_  
Signature Date

**ARBITRATION PANEL**

Ann C. Northern, Esq.	-	Public Arbitrator, Presiding Chair
Arthur Ostrove	-	Public Arbitrator
Michael Todd Clements	-	Non-Public Arbitrator

**Concurring Arbitrators**



Ann C. Northern, Esq.  
Public Arbitrator, Presiding Chair

10/12/05  
Signature Date

\_\_\_\_\_  
Arthur Ostrove  
Public Arbitrator

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

**Dissenting Arbitrator**

\_\_\_\_\_  
Michael Todd Clements  
Non-Public Arbitrator

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

**November 14, 2005**

Date of Service (For NASD office use only)




**ARBITRATION PANEL**

Ann C. Northern, Esq.	-	Public Arbitrator, Presiding Chair
Arthur Ostrove	-	Public Arbitrator
Michael Todd Clements	-	Non-Public Arbitrator

**Concurring Arbitrators**

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Ann C. Northern, Esq.  
Public Arbitrator, Presiding Chair

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

  
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Arthur Ostrove  
Public Arbitrator

10/12/05  
\_\_\_\_\_  
Signature Date

**Dissenting Arbitrator**

\_\_\_\_\_  
Michael Todd Clements  
Non-Public Arbitrator

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

**November 14, 2005**

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

**ARBITRATION PANEL**

Ann C. Northam, Esq.  
Arthur Ostrove  
Michael Todd Clements

Public Arbitrator, Presiding Chair  
Public Arbitrator  
Non-Public Arbitrator

**Concurring Arbitrators**

\_\_\_\_\_  
Ann C. Northam, Esq.  
Public Arbitrator, Presiding Chair

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

\_\_\_\_\_  
Arthur Ostrove  
Public Arbitrator

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

**Dissenting Arbitrator**



Michael Todd Clements  
Non-Public Arbitrator

11/8/05

Signature Date

**November 14, 2005**

Date of Service (For NASD office use only)