

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Robin Early

and

Case Number: 03-06135
Hearing Site: Houston, Texas

Name of Respondent

Prudential Equity Group, LLC

NATURE OF DISPUTE

Customer v. Member Firm

REPRESENTATION OF PARTIES

Robin Early ("**Claimant**") was represented by Joel H. Pullen, Esq., Law Offices of Joel H. Pullen, San Antonio, Texas.

Prudential Equity Group, LLC ("**Prudential**") was represented by David A. Picon, Esq., and Celia L. Passaro, Esq., Proskauer Rose, LLP, New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about August 22, 2003.

The Submission Agreement of Claimant, Robin Early, was signed on or about August 17, 2003.

Statement of Answer was filed by Respondent, Prudential Equity Group, LLC, on or about November 21, 2003.

The Submission Agreement of Respondent, Prudential Equity Group, LLC, was signed on or about February 24, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: failure to supervise, breach of fiduciary

duty and churning. The causes of action related to the recommendation and purchase of unspecified mutual funds. Claimant alleged that her Class B shares were unsuitably risky equity funds. Also, Claimant alleged that Respondent induced her to purchase a variable annuity, in which the subaccounts were also unsuitable.

Unless specifically admitted in its Answer, Respondent, Prudential, denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Statement of Claim failed to state a claim upon which relief can be granted; Claimant approved, authorized and ratified the acts complained of and, accordingly, is precluded from asserting the same as a basis for recovery; Claimant's losses were a result of her own conduct, and are barred by the doctrines of contributory negligence and/or comparative negligence; Claimant failed to mitigate her damages; Claimant's claims are barred by her own unclean hands; Claimant's claims are barred by the doctrines of estoppel and laches.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory	\$600,000
Punitive/Exemplary	\$150,000
Interest	Unspecified
Attorney's Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondent requested that the claims asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with NASD Dispute Resolution ("NASD").

AWARD

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

- 1.) Claimant's claims, each and all, are hereby denied and dismissed with

prejudice;

- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 3.) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

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 = \$375.00

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 = \$2250.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$4000.00

Forum Fees and Assessments

The Arbitration 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. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$450.00
Pre-hearing conference: July 15, 2004 1 session

One (1) Pre-hearing session with Panel x \$1200.00 = \$1200.00
Pre-hearing conference: March 11, 2004 1 session

Four (4) Hearing sessions x \$1200.00 = \$4800.00
Hearing Dates: August 10, 2004 2 sessions
August 11, 2004 2 sessions

Total Forum Fees = \$6450.00

The Arbitration Panel has assessed \$6450.00 of the forum fees to Robin Early.

FEE SUMMARY

Claimant, Robin Early, is liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 6450.00
<u>Total Fees</u>	<u>= \$ 6825.00</u>
<u>Less payments</u>	<u>= \$ 1575.00</u>
Balance Due NASD Dispute Resolution	= \$ 5250.00

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

Member Fees	= \$ 7000.00
<u>Total Fees</u>	<u>= \$ 7000.00</u>
<u>Less payments</u>	<u>= \$ 7000.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Frank M. Pinedo, Esq. - Public Arbitrator, Presiding Chair
Daniel J. Pagnano, Esq. - Public Arbitrator
Ruth Smith Jackson - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Frank M. Pinedo, Esq.
Frank M. Pinedo, Esq.
Public Arbitrator, Presiding Chair

August 13, 2004
Signature Date

/s/ Daniel J. Pagnano, Esq.
Daniel J. Pagnano, Esq.
Public Arbitrator

August 13, 2004
Signature Date

/s/ Ruth Smith Jackson
Ruth Smith Jackson
Non-Public Arbitrator

August 16, 2004
Signature Date

August 13, 2004
Date of Service (For NASD office use only)

ARBITRATION PANEL

Frank M. Pinedo, Esq. - Public Arbitrator, Presiding Chair
Daniel J. Pagnano, Esq. - Public Arbitrator
Ruth Smith Jackson - Non-Public Arbitrator

Concurring Arbitrators:



Frank M. Pinedo, Esq.
Public Arbitrator, Presiding Chair

Aug 13, 2004

Signature Date

Daniel J. Pagnano, Esq.
Public Arbitrator

Signature Date

Ruth Smith Jackson
Non-Public Arbitrator

Signature Date

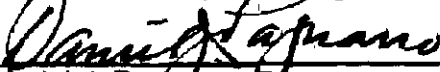
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Frank M. Pinedo, Esq.
Public Arbitrator, Presiding Chair


Daniel J. Pagnano, Esq.
Public Arbitrator

Signature Date


Signature Date

Ruth Smith Jackson
Non-Public Arbitrator

Signature Date

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Concurring Arbitrators:

Frank M. Pinedo, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Daniel J. Pagnano, Esq.
Public Arbitrator

Signature Date



Ruth Smith Jackson
Non-Public Arbitrator

8/16/04

Signature Date

Date of Service (For NASD office use only)