

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Names of Claimants

Jack Eldridge and Gladys J. Eldridge,
co-trustees of the Eldridge Family Living Trust

and

Case Number: 03-06385
Hearing Site: Oklahoma City, Oklahoma

Names of Respondents

Prudential Equity Group, LLC,
f/k/a Prudential Securities, Inc.,
and Michael Conrad Ihrie

NATURE OF DISPUTE

Customers v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Jack Eldridge and Gladys J. Eldridge, co-trustees of the Eldridge Family Living Trust ("**Claimants**") were represented by Terry Guy Shipley, Esq., Norman, Oklahoma.

Prudential Equity Group, LLC ("**Prudential**"), and Michael Conrad Ihrie ("**Ihrie**"), collectively referred to as ("**Respondents**"), were represented by Retta A. Miller, Esq., Jackson Walker L.L.P., Dallas, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about September 3, 2003. The Submission Agreements of Claimants, Jack Eldridge and Gladys J. Eldridge, co-trustees of the Eldridge Family Living Trust, were signed on or about August 26, 2003. Claimants' Supplemental Statement of Claim was filed on or about July 1, 2004.

The Statement of Answer was filed jointly by Respondents, Prudential Equity Group, LLC and Michael Conrad Ihrie on or about December 2, 2003. The Submission Agreement of Respondent, Prudential Equity Group, LLC, was signed on or about October 20, 2003. Respondent, Michael Conrad Ihrie, did not file a Submission Agreement. Respondents' Joint Supplemental Answer was filed on or about July 15, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: unauthorized trading, including but not limited to trading on margin without authority; unsuitable trading by trading fixed income securities on margin; actual fraud; constructive fraud; failure to fully and fairly disclose margin trading; and failure to supervise. The causes of action related to the recommendation and purchase of various securities investments. Claimants alleged that Respondents failed to disclose the use of margin to accomplish unauthorized and excessive trades, as well as purported proceeds from the misrepresented sale of certain bonds, and misrepresented the sources of payments that the Claimants were being mailed.

Unless specifically admitted in their Answer, Respondents, Prudential and Irehire, denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimants' Statement of Claim failed to state a claim upon which may be granted; Claimants expressly approved and ratified the acts and transactions complained of and upon which recovery is sought; Claimants failed to mitigate their damages, if any; and Claimants' actions are barred by the principle of laches.

RELIEF REQUESTED

Claimants requested an award in the amount of \$321,576.53 in compensatory damages, plus \$321,576.53 in punitive damages, \$96,471.00 in interest, their costs and attorneys' fees, and any other relief to which Claimants may be deemed entitled, premises considered.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees, and for such other and further relief as the panel deemed just and proper.

OTHER ISSUES CONSIDERED & DECIDED

On or about May 3, 2004, Claimants' filed a Motion to File Supplement to Claimants' Statement of Claim.

On or about May 27, 2004, the Respondents filed their response to the Motion to File Supplement to Claimants' Statement of Claim.

On or about June 23, 2004, the panel granted Claimants' Motion to File Supplement to Claimants' Statement of Claim and allowed Claimants' to file their Supplemental Statement of Claim.

At the hearing, Claimants presented evidence of damages to the panel which the panel entered as an exhibit.

Respondent, Michael Conrad Ihrie, did not file with the NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, appeared and testified at the hearing is bound by the determination of the arbitration 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. 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) Respondent, Prudential Equity Group, LLC, is liable for and shall pay to Claimants, Jack Eldridge and Gladys J. Eldridge, co-trustees of the Eldridge Family Living Trust, the sum of \$34,930.00 in compensatory damages;
- 2) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 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 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	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 4,000.00

Adjournment Fees

Adjournments granted during these proceedings:

October 19-22, 2004, adjournment requested by Claimants (waived by the panel)	= \$ 1,200.00
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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: June 24, 2004 1 session	

One (1) Pre-hearing session with Panel x \$1,200.00	= \$ 1,200.00
Pre-hearing conference: February 26, 2004 1 session	

Nine (9) Hearing sessions x \$1,200.00	= \$10,800.00
Hearing Dates:	
June 7, 2005	2 sessions
June 8, 2005	2 sessions
June 9, 2005	3 sessions
June 10, 2005	2 sessions

Total Forum Fees	= \$12,450.00
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The Arbitration Panel has assessed \$6,225.00 of the forum fees jointly and severally to Jack Eldridge and Gladys J. Eldridge, co-trustees of the Eldridge Family Living Trust.

The Arbitration Panel has assessed \$6,225.00 of the forum fees to Prudential Equity Group, LLC.

Fee Summary

Claimants, Jack Eldridge and Gladys J. Eldridge, co-trustees of the Eldridge Family Living Trust, are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$6,225.00
Total Fees	= \$6,600.00
Less payments	= \$4,325.00
Balance Due NASD Dispute Resolution	= \$2,275.00

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

Member Fees	= \$ 7,000.00
Forum Fees	= \$ 6,225.00
Total Fees	= \$13,225.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 8,025.00

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

ARBITRATION PANEL

Van R. Oliver, CVA, CPA – Public Arbitrator, Presiding Chair

Wilburta Ann Willey - Public Arbitrator

Michael E. Nelson - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Van R. Oliver, CVA, CPA

Van R. Oliver, CVA, CPA
Public Arbitrator, Presiding Chair

06/20/05

Signature Date

/s/ Wilburta Ann Willey

Wilburta Ann Willey
Public Arbitrator

06/20/05

Signature Date

/s/ Michael E. Nelson

Michael E. Nelson
Non-Public Arbitrator

06/20/05

Signature Date

06/20/05

Date of Service (For NASD office use only)

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Wilburta Ann Willey – Public Arbitrator
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Concurring Arbitrators:

Van Oliver
Van R. Oliver, CVA, CPA
Public Arbitrator, Presiding Chair

4/20/05
Signature Date

Wilburta Ann Willey
Wilburta Ann Willey
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