
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Horace Butler
Loretta Butler

Case Number: 03-06587

Names of the Respondents

Prudential Equity Group, Inc.
Stanley Broussard
Harris Bretall Sullivan & Smith LLC

Hearing Site: New Orleans, LA

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For Horace Butler and Loretta Butler, hereinafter collectively referred to as "Claimants": George Jacques Forest, Jr., Esq., Forest Law Corporation, Lafayette, LA.

For Respondents Prudential Equity Group, Inc. ("Prudential") and Stanley Broussard ("Broussard"): Benjamin J. Lambiotte, Esq. and Alexis K. Segal, Esq., Garvey Schubert Barer, Washington, D.C.

For Respondent Harris Bretall Sullivan & Smith LLC ("Harris"): Edward Han, Esq., Paul, Hastings, Janofsky & Walker LLP, San Francisco, CA.

CASE INFORMATION

Statement of Claim filed on or about: September 4, 2003.

Claimants signed the Uniform Submission Agreement: September 4, 2003.

Statement of Answer filed by Respondents Prudential and Broussard on or about: January 26, 2004.

Respondent Prudential signed the Uniform Submission Agreement: February 3, 2004.

Respondent Broussard signed the Uniform Submission Agreement: February 26, 2004.

Statement of Answer and Motion to Dismiss ("Motion to Dismiss") filed by Respondent Harris on or about: January 26, 2004.

Respondent Harris signed the Uniform Submission Agreement: January 26, 2004.

Claimants' Response to the Motion to Dismiss filed on or about: March 1, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: violations of the Louisiana Securities Act; breach of contract; breach of fiduciary duty; violations of federal securities laws; misrepresentations and omissions; unsuitability; negligence; gross negligence; inappropriate trading; failure to supervise; and, breach of the "know your customer rule". The causes of action relate to the purchase of unspecified securities products in Claimants' account.

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

Unless specifically admitted in its Answer, Respondent Harris denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages of \$396,492.11, pre- and post-judgment interest, costs, attorneys' fees, an award of monetary damages as a matter of equity pursuant to Rule 45(a) of the Commercial Arbitration Rules of the American Arbitration Association, damages for extreme emotional distress, and punitive damages of \$1,189,476.33.

Respondents Prudential and Broussard requested dismissal of the Statement of Claim, attorneys' fees and costs, expungement of this matter from Respondent Broussard's record, and such other and further relief as is just and proper.

Respondent Harris requested dismissal of the Statement of Claim, an award in Respondent Harris' favor, attorneys' fees and costs, and such other and further relief as the undersigned arbitrators (the "Panel") deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

On or about March 15, 2004, the Panel entered an order which denied Respondent Harris' Motion to Dismiss.

On or about September 20, 2004, Claimants dismissed Respondent Harris from this action, with prejudice.

When this case was paneled, Arbitrator Kahn was properly classified as a Public Arbitrator and appointed as such. His classification has since changed to Non-Public.

During the evidentiary hearing, Respondent Broussard requested that Claimants' claims for damages for extreme emotional distress be dismissed. The Panel granted the 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, the testimony and evidence presented at the hearing, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent Prudential is liable for failure to supervise and failure to diversify and shall pay to Claimants compensatory damages in the sum of \$50,000.00, pre-judgment interest specifically excluded.

Any and all claims for relief not specifically addressed herein, including Claimants' requests for punitive damages and attorneys' fees and Respondent Broussard's request for expungement, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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 = \$ 500.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent Prudential is a member firm and a party.

Member surcharge = \$ 2,800.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 5,000.00

Total Member Fees = \$ 8,550.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were granted during these proceedings for which fees were assessed.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

No hearing on the merits was postponed or settled within three business days before the start of a scheduled hearing session.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were assessed during these proceedings.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with the Panel @ \$1,200.00 = \$ 1,200.00
Pre-hearing conference: March 24, 2004 1 session

Four (4) Hearing sessions @ \$1,200.00 = \$ 4,800.00
Hearing Dates: September 21, 2004 2 sessions
September 22, 2004 2 sessions

Total Forum Fees = \$ 6,000.00

The Panel has assessed \$3,000.00 of the forum fees jointly and severally to Claimants.
The Panel has assessed \$3,000.00 of the forum fees to Respondent Prudential.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during this proceeding.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	= \$ 3,000.00
Total Fees	= \$ 3,500.00
<u>Less payments</u>	= \$ 1,700.00
Balance Due NASD Dispute Resolution	= \$ 1,800.00

Respondent Prudential is solely liable for:

Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	= \$ 3,000.00
Total Fees	= \$11,550.00
<u>Less payments</u>	= \$ 9,150.00
Balance Due NASD Dispute Resolution	= \$ 2,400.00

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

ARBITRATION PANEL

Kurt D. Steiner, CPA	-	Public Arbitrator, Presiding Chairperson
Carlie M. Kahn	-	Non-Public Arbitrator
Robert E. Graves	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Kurt D. Steiner, CPA
Public Arbitrator, Presiding Chairperson

Signature Date

/s/
Carlie M. Kahn
Non-Public Arbitrator

Signature Date

/s/
Robert E. Graves
Non-Public Arbitrator

Signature Date

October 28, 2004
Date of Service (For NASD Dispute Resolution office use only)



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Concurring Arbitrators' Signatures

Kurt D. Steiner, CPA
Public Arbitrator, Presiding Chairperson

10/27/04
Signature Date

Carlie M. Kahn
Non-Public Arbitrator

Signature Date

Robert E. Graves
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

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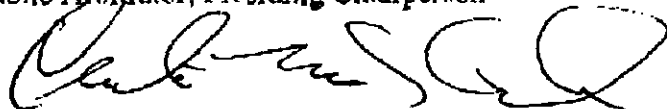
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Award Page 5 of 5Concurring Arbitrators' Signatures

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Carlle M. Kahn
Non-Public Arbitrator

Signature Date



Signature Date

Robert E. Graves
Non-Public Arbitrator

Signature Date

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