

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of Claimants

Marjorie Maurine Thomas and Neal Stout

vs.

Case Number: 03-06944
Hearing Site: Oklahoma City, Oklahoma

Names of Respondents

Prudential Equity Group, LLC, Carl W. Busch,
Billy W. Cobb, and John Charles Pierce

NATURE OF THE DISPUTE

Customers vs. Member and Associated Persons

REPRESENTATION OF PARTIES

Marjorie Maurine Thomas ("Thomas") and Neal Stout ("Stout"), hereinafter referred to collectively as "Claimants," were represented by Joseph C. Long, Esq., Norman, Oklahoma, and Jerry Crabb, Esq., Crabb, Ferguson & Riesen, Oklahoma City, Oklahoma. Claimants were later represented by Steve Ferguson, Esq., Crabb, Ferguson & Riesen, Oklahoma City, Oklahoma.

Prudential Equity Group, LLC ("Prudential"), Carl W. Busch ("Busch"), Billy W. Cobb ("Cobb"), and John Charles Pierce ("Pierce"), hereinafter collectively referred to as "Respondents," were represented by Neal Robb, Esq., David Piper, Esq., and Diana J. Coburn, Esq., Keesal, Young & Logan, Long Beach, California.

CASE INFORMATION

The Statement of Claim was filed on or about September 22, 2003. The Submission Agreement of Thomas was signed on or about October 23, 2003. The Submission Agreement of Stout was signed on or about October 28, 2003.

The Statement of Answer, Motion to Dismiss, and Motion to Sever claims was filed by Respondents, Prudential, Busch, Cobb, and Pierce, on or about April 29, 2004. The Submission Agreement of Prudential was signed on April 12, 2004. The Submission Agreement of Busch was signed on April 16, 2004. The Submission Agreement of Cobb was signed on April 12, 2004. The Submission Agreement of Pierce was signed on April 13, 2004.

A Response to Respondents' Motion to Sever claims was filed by Claimants on or about May 17, 2004.

A Reply to Claimants' Opposition to Respondents' Motion to Sever claims was filed by Respondents on May 26, 2004.

A Motion to Dismiss was filed jointly by Respondents, Prudential and Pierce, on January 30, 2006.

A Motion to Dismiss was filed by Respondent Busch on September 5, 2006.

A Summary of Argument in opposition to Respondents' Motions to Dismiss was filed by Claimant Thomas on or about September 26, 2006.

CASE SUMMARY

Claimants asserted the following causes of action: suitability; omissions; sale of unregistered securities; misrepresentations; breach of fiduciary duty; omissions; and unauthorized purchases. The causes of action related to the recommendation and purchase of various stocks and bonds. Claimants alleged that these were unsuitable recommendations and did not meet their investment needs and objectives.

Unless specifically admitted in their Answer, Respondents, Prudential, Busch, Cobb, and Pierce, denied the allegations made in the Statement of Claim and asserted affirmative defenses, including the following: failure to mitigate; waiver; negligence of others; assumption of risk; ratification; failure to state a claim; market price fluctuations; lack of due diligence; comparable fault; and laches.

RELIEF REQUESTED

Claimants, Thomas and Stout, requested an award in the amount of:

Actual/Compensatory Damages	\$3,000,000.00
Exemplary/Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents, Prudential, Busch, Cobb, and Pierce, requested that the claims asserted against them be denied and dismissed in their entirety, that they be awarded their costs and attorneys' fees, and for the expungement of Respondent, Cobb's, Busch's, and Pierce's CRD records.

OTHER ISSUES CONSIDERED & DECIDED

On or about July 7, 2004, after having reviewed Respondents' Motion to Sever claims and Claimants' response thereto, the Panel made a preliminary determination to deny Respondents' motion.

On November 19, 2004, in consideration of Respondents' Motion to Sever, the Panel issued the following Order:

This matter comes on for consideration on this 19th day of November, 2004, before the entire arbitration Panel convened in the above-styled action for consideration on Respondents' Motion to Sever, Claimants' response thereto, and Respondents' reply. The Panel having considered the briefs filed herein and argument of counsel herewith finds that the motion is well taken and should be granted. The staff is directed to sever the claims of Marjorie Maurine Thomas and Neal Stout.

As a result of the Panel's Order, Marjorie Maurine Thomas remained as the Claimant for this case.

On February 22, 2006, Claimant, Marjorie Maurine Thomas, dismissed all claims against Respondent, Billy W. Cobb, with prejudice.

A pre-hearing conference was held on September 27, 2006 on Prudential's and Pierce's Motion to Dismiss of January 30, 2006; and Busch's Motion to Dismiss of September 5, 2006; and Claimant's response thereto. On September 28, 2006, the Panel issued the following ruling:

The Panel has conferred and denies Respondents' initial motion to dismiss filed in January, 2006. The Panel grants the motion to dismiss of Respondent Carl W. Bush filed in September 2006.

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.

AWARD

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

- 1.) Claimant Marjorie Maurine Thomas' claims, each and all, against Respondents, Prudential Equity Group, LLC and Charles Pierce, are

hereby denied and dismissed with prejudice;

- 2.) Claimant Marjorie Maurine Thomas' claims, each and all, against Respondent, Carl W. Busch, are hereby dismissed with prejudice;
- 3.) Claimant Marjorie Maurine Thomas' claims, each and all, against Respondent, Billy W. Cobb, are hereby dismissed with prejudice;
- 4.) The requests for expungement of the CRD records of Respondents, Carl W. Busch, Billy W. Cobb, and Charles Pierce, are denied;
- 5.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 6.) Any relief not specifically enumerated, including punitive damages and attorneys' 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 fee 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 that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firm is Prudential Securities, LLC.

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,000.00

Adjournment Fees

Adjournments granted during these proceedings:

July 25-29, 2005, adjournment requested by Thomas and Prudential = \$ 1,200.00
(waived by the Panel)

February 6-8, 2006, adjournment requested by Thomas and Prudential = \$ 1,500.00
to mediate with NASD (waived by the NASD)

Forum Fees and Assessments

The Panel has assessed forum fees for each hearing session conducted or each decision rendered on a discovery-related motion on the papers. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, which 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 7, 2005	1 session	
Two (2) Pre-hearing sessions with Panel x \$1,200.00	= \$	1,200.00
Pre-hearing conferences: November 19, 2004	1 session	
September 27, 2006	1 session	
Four (4) Hearing sessions x \$1,200.00	= \$	4,800.00
Hearing Dates: October 2, 2006	2 sessions	
October 3, 2006	2 sessions	
Total Forum Fees	= \$	7,650.00

The Panel has assessed \$7,650.00 of the forum fees to Respondent, Prudential Equity Group, LLC.

FEE SUMMARY

Claimant, Marjorie Maurine Thomas, is liable for:

Initial Filing Fee	= \$	500.00
Total Fees	= \$	500.00
Less payments	= \$	3,200.00
Refund Due to Claimant	= \$	2,700.00

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

Member Fees	= \$	8,550.00
Forum Fees	= \$	7,650.00
Total Fees	= \$	16,200.00
Less payments	= \$	8,550.00
Balance Due NASD Dispute Resolution	= \$	7,650.00

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

ARBITRATION PANEL

James E. Golden, Jr., Esq. - Public Arbitrator, Presiding Chair
Dennis S. Boxeur, Esq. - Public Arbitrator
Thomas P. Hoover - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ James E. Golden, Jr., Esq.
James E. Golden, Jr., Esq.
Public Arbitrator, Presiding Chair

10/13/06
Signature Date

/s/ Dennis S. Boxeur, Esq.
Dennis S. Boxeur, Esq.
Public Arbitrator

10/13/06
Signature Date

/s/ Thomas P. Hoover
Thomas P. Hoover
Non-Public Arbitrator

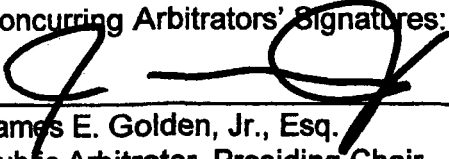
10/16/06
Signature Date

10/16/06
Date of Service (For NASD office use only)

ARBITRATION PANEL

James E. Golden, Jr., Esq. - Public Arbitrator, Presiding Chair
Dennis S. Boxeur, Esq. - Public Arbitrator
Thomas P. Hoover - Non-Public Arbitrator

Concurring Arbitrators' Signatures:



James E. Golden, Jr., Esq.
Public Arbitrator, Presiding Chair

10/13/06

Signature Date

Dennis S. Boxeur, Esq.
Public/Non-Public Arbitrator

Signature Date

Thomas P. Hoover
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD REGULATION

NASD Dispute Resolution
Arbitration No. 03-06944
Award Page 6 of 6

ARBITRATION PANEL

James E. Golden, Jr., Esq. - Public Arbitrator, Presiding Chair
Dennis S. Boxeur, Esq. - Public Arbitrator
Thomas P. Hoover - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

James E. Golden, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

Dennis S. Boxeur

Dennis S. Boxeur, Esq.
Public/Non-Public Arbitrator

Oct. 13, 2006
Signature Date

Thomas P. Hoover
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

James E. Golden, Jr., Esq. - Public Arbitrator, Presiding Chair
Dennis S. Boxeur, Esq. - Public Arbitrator
Thomas P. Hoover - Non-Public Arbitrator

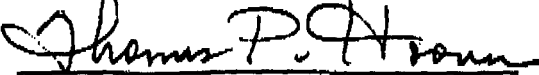
Concurring Arbitrators' Signatures:

James E. Golden, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

Dennis S. Boxeur, Esq.
Public Arbitrator

Signature Date


Thomas P. Hoover
Non-Public Arbitrator

10-16-2006
Signature Date

Date of Service (For NASD office use only)