

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

David C. Waterman and Deirdre A. Waterman (Claimants) v. Prudential Equity Group, LLC
f/k/a Prudential Securities, Inc. (Respondent)

Case Number: 04-00049

Hearing Site: Boston, Massachusetts

Nature of the Dispute: Customers vs. Member.

REPRESENTATION OF PARTIES

Claimants David C. Waterman ("David Waterman") and Deirdre A. Waterman ("Deirdre Waterman") hereinafter collectively referred to as "Claimants": John R. Blake, Esq., Bowditch & Dewey, LLP, Worcester, MA.

Respondent Prudential Equity Group, LLC f/k/a Prudential Securities, Inc. ("Prudential") hereinafter referred to as "Respondent": Alan S. Brodherson, Esq., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: January 2, 2004.

Claimants signed the Uniform Submission Agreement: December 29, 2003.

Statement of Answer filed by Respondent on or about: March 17, 2004.

Respondent signed the Uniform Submission Agreement: March 19, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: mismanagement of funds; misrepresentation; and suitability. The causes of action relate to a variable annuity as well as other unspecified securities.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$300,000.00; punitive damages; and treble damages in the amount of \$600,000.00 under Chapter 93A of Massachusetts General

Laws.

Respondent requested that the Panel dismiss the Statement of Claim; costs and expenses, including legal fees; and such other and further relief as the arbitrators deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent moved to exclude Claimants' expert, David Allen, from testifying as to suitability on the grounds that he was not qualified. After due consideration, the Panel denied the motion.

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

1. Claimants' claims are denied in their entirety.
2. Any and all relief not specifically addressed herein, including punitive damages, is denied.

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
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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. Accordingly, Prudential Equity Group, LLC f/k/a Prudential Securities, Inc. is a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 @ \$450.00	= \$ 450.00
Pre-hearing conference: September 14, 2004 1 session	

Two (2) Pre-hearing sessions with Panel @ \$1,200.00	= \$ 2,400.00
Pre-hearing conference: June 15, 2004	1 session
December 9, 2004	1 session

Eight (8) Hearing sessions @ \$1,200.00	= \$ 9,600.00
Hearing Dates: November 8, 2004	2 sessions
November 9, 2004	2 sessions
February 2, 2005	2 sessions
February 3, 2005	2 sessions

Total Forum Fees	= \$12,450.00
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1. The Panel has assessed \$6,225.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$6,225.00 of the forum fees against Respondent.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 6,225.00
Total Fees	= \$ 6,600.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 5,025.00

2. Respondent is solely liable for:

Member Fees	= \$ 7,000.00
Forum Fees	= \$ 6,225.00
Total Fees	= \$13,225.00
Less payments	= \$ 7,500.00
Balance Due NASD Dispute Resolution	= \$ 5,725.00


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

ARBITRATION PANEL

Melinda S. Milberg, Esq.	-	Public Arbitrator Presiding Chairperson
Robert J. Ambrogi, Esq.	-	Public Arbitrator
Debra M. Brown, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.


Melinda S. Milberg, Esq.
Public Arbitrator, Presiding Chairperson

2/14/05
Signature Date

Robert J. Ambrogi, Esq.
Public Arbitrator

Signature Date

Debra M. Brown, Esq.
Non-Public Arbitrator

Signature Date

2/18/05
Date of Service (For NASD Dispute Resolution use only)

NASD REGULATION

NASD Dispute Resolution
Arbitration No. 04-00049
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Melinda S. Milberg, Esq.	-	Public Arbitrator, Presiding Chairperson
Robert J. Ambrogi, Esq.	-	Public Arbitrator
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Melinda S. Milberg, Esq.
Public Arbitrator, Presiding Chairperson



Robert J. Ambrogi, Esq.
Public Arbitrator

Signature Date

2/17/05

Signature Date

Debra M. Brown, Esq.
Non-Public Arbitrator

Signature Date

2/18/05

Date of Service (For NASD Dispute Resolution use only)

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Public Arbitrator

Signature Date



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Non-Public Arbitrator

2-14-05

Signature Date

2/18/05

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