

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of Claimant

Thomas E. Krantz

and

Case Number: 04-00252

Hearing Site: Chicago, Illinois

Names of Respondents

Prudential Equity Group, LLC and

Gerald A. Evans

NATURE OF DISPUTE

Customer v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Thomas E. Krantz ("**Claimant**") was represented by Andrew Stoltmann, Esq., of the Stoltmann Law Offices, Chicago, Illinois and Sandor Grossman, Esq., Chicago, Illinois.

Prudential Equities Group, LLC ("**Prudential**") was represented by Beth A. Black, Esq., Morgan, Lewis & Bockius, LLP, Chicago, Illinois.

Gerald A. Evans ("**Evans**") was represented by Stuart M. Nagel, Esq., Chalmers & Nagel, PC, Chicago, Illinois.

CASE INFORMATION

The Statement of Claim was filed on or about January 15, 2004. The Submission Agreement of Claimant, Thomas Krantz, was signed on or about January 12, 2004.

A Statement of Answer and Partial Motion to Dismiss was filed by Respondent, Prudential Equity Group, LLC, on or about March 16, 2005. The Submission Agreement of Respondent Prudential was signed on or about January 19, 2005. On or about July 27, 2005, Prudential filed a Reply in Support of their Motion to Dismiss.

A Statement of Answer and Motion for Partial Summary Judgment was filed by Respondent, Gerald A. Evans, on or about February 9, 2005. The Submission Agreement of Respondent Evans was signed on or about February 5, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: mutual fund switching, unsuitable investments, misrepresentation, negligence, state security law violations, consumer

fraud and deceptive business practices, violation of Section 2110 of the Conduct Rules of the NASD, violation of Section 2120 of the Conduct Rules of the NASD, violation of Section 3010 of the Conduct Rules of the NASD, breach of contract, common law fraud, breach of fiduciary duty, constructive fraud, respondeat superior, and negligence. The causes of action related to recommendation and purchase of, including but not limited to, Munder Future Technology Fund, Franklin Strategic Biotechnology Fund, Van Kampen Semiconductor UIT, and Van Kampen Biotechnology UIT. Claimant alleged that Respondent Evans failed to properly allocate Claimant's account across difference asset classes. Claimant also alleged that Respondents misrepresented the level of risk associated with the trading activity in the account.

Unless specifically admitted in its Answer, Respondent Prudential Equity Group, LLC, denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant's claims are barred by applicable statutes of limitations and by the doctrine of laches; Claimant authorized and ratified all the transactions at issue; Claimant assumed the risk associated with these investments; Claimant failed to state a claim upon which relief can be granted; Claimant failed to mitigate his damages; and Claimant is barred from recovering all or some of his alleged damages because of his own negligence and fault.

Unless specifically admitted in his Answer, Respondent, Gerald Evans, denied the allegations made in the Statement of Claim and asserted the following defenses: Claims are barred by applicable statutes of limitations and Claimant authorized all the transactions at issue.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$613,836.00
Punitive/Exemplary Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

On or about August 9, 2005, the Panel heard oral arguments regarding Prudential's Partial Motion to Dismiss and Evans' Motion for Partial Summary Judgment. The Panel dismissed any claim against Prudential Securities, Inc., and any claim against Gerald A. Evans based on a transaction that occurred prior to January 1998, because of being

time-barred pursuant to the six-year rule as stated in paragraph 10304 of NASD's Code of Arbitration.

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 the NASD Dispute Resolution.

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) Claimant's claims, each and all are dismissed with prejudice pursuant to the parties' settlement agreement;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 3.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent, Gerald Evans', registration records maintained by the NASD Central Registration Depository (CRD), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent, Gerald Evans, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and
- 4.) 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 = \$ 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:

December 6-9, 2005, adjournment requested by Claimant (waived by NASD as the parties went to NASD mediation)	= \$ 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: October 20, 2005 1 session	

Two (2) Pre-hearing sessions with Panel x \$1,200.00	= \$ 2,400.00
Pre-hearing conferences: June 3, 2005 1 session	
August 9, 2005 1 session	

Total Forum Fees	= \$ 2,850.00
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The Arbitration Panel has assessed \$1,425.00 of the forum fees to Thomas E. Krantz.

The Arbitration Panel has assessed \$1,425.00 of the forum fees jointly and severally to Prudential Equity Group, LLC and Gerald A. Evans.

Fee Summary

Claimant, Thomas E. Krantz, is liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 1,425.00
Total Fees	= \$ 1,800.00
Less payments	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

Member Fees	= \$ 7,000.00
Total Fees	= \$ 7,000.00
Less payments	= \$ 7,000.00

Balance Due NASD Dispute Resolution = \$ 0.00

Respondents, Prudential Equity Group, LLC and Gerald A. Evans, are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 1,425.00
<u>Total Fees</u>	= \$ 1,425.00
<u>Less payments</u>	= \$ 80.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 1,345.00

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

ARBITRATION PANEL

David J. Langseth - Public Arbitrator, Presiding Chair
Larry Carlson, Esq. - Public Arbitrator
Ronald C. Peters, CPA - Non-Public Arbitrator

Concurring Arbitrators:

/s/ David J. Langseth
David J. Langseth
Public Arbitrator, Presiding Chair

May 12, 2006
Signature Date

/s/ Larry Carlson, Esq.
Larry Carlson, Esq.
Public Arbitrator

May 9, 2006
Signature Date

/s/ Ronald C. Peters, CPA
Ronald C. Peters, CPA
Non-Public Arbitrator

May 11, 2006
Signature Date

May 12, 2006
Date of Service (For NASD office use only)

Balance Due NASD Dispute Resolution = \$ 0.00

Respondents, Prudential Equity Group, LLC and Gerald A. Evans, are jointly and severally liable for:

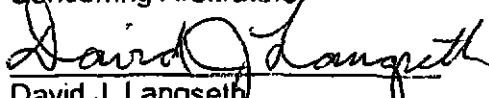
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Larry Carlson, Esq. - Public Arbitrator
Ronald C. Peters, CPA - Non-Public Arbitrator

Concurring Arbitrators:


David J. Langseth
Public Arbitrator, Presiding Chair

05/12/06
Signature Date

Larry Carlson, Esq.
Public Arbitrator

Signature Date

Ronald C. Peters, CPA
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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Concurring Arbitrators:

David J. Langseth
Public Arbitrator, Presiding Chair


Larry Carlson, Esq.
Public Arbitrator

Signature Date

9 May 2006
Signature Date

Ronald C. Peters, CPA
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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Larry Carlson, Esq. - Public Arbitrator
Ronald C. Peters, CPA - Non-Public Arbitrator


Concurring Arbitrators:

David J. Langseth
Public Arbitrator, Presiding Chair

Signature Date

Larry Carlson, Esq.
Public Arbitrator

Signature Date



Ronald C. Peters, CPA
Non-Public Arbitrator



Signature Date

Date of Service (For NASD office use only)