

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimant

George Beeson

and

Case Number: 04-01169
Hearing Site: Chicago, Illinois

Respondent

Prudential Equity Group, Inc. f/k/a
Prudential Securities, Inc.

NATURE OF DISPUTE

Customer v. Member

REPRESENTATION OF PARTIES

George Beeson, ("Claimant"), was represented by James J. Eccleston, Esq., of Shaheen, Novoselsky, Staat, Filipowski & Eccleston, P.C., located in Chicago, Illinois.

Prudential Equity Group, Inc. f/k/a Prudential Securities, Inc., ("Respondent"), or, ("Prudential"), was represented by Beth Black, Esq., and Miriam G. Bacall, Esq., of Morgan, Lewis & Bockius, located in Chicago, Illinois.

CASE INFORMATION

The Statement of Claim was filed on or about February 23, 2004. The Submission Agreement of Claimant was signed on or about February 18, 2004.

The Statement of Answer was filed by Respondent on or about May 12, 2004. The Submission Agreement of Respondent was signed on or about March 24, 2004.

Claimant filed a 10305(A) Motion to Dismiss on July 28, 2004.

Respondent filed an Opposition to the Claimant's Motion to Dismiss on July 30, 2004.

Claimant filed a reply in support of his Motion to Dismiss on August 17, 2004

CASE SUMMARY

Claimant asserted the following cause of action: Prudential breached its duty to monitor plan fiduciaries. Claimant's cause of action is in connection with Prudential's management of The Holt Electric Motor Company Retirement Income Plan.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to state a claim upon which relief may be granted; Claimant is barred from any recovery due to authorized consent and ratification; Claimant's damages are the result of a third-party and market conditions; Claimant failed to mitigate his damages; and Claimant is barred by the applicable statute of limitations and laches.

RELIEF REQUESTED

Claimant requested an unspecified amount of compensatory damages.

Respondent requested that the claims asserted against it be denied in their entirety and it be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Claimant filed a rule 10305 (A) Motion to Dismiss, based upon related litigation pending in the U.S. Dist. Ct. for the Northern Dist. of IL, in which he sought discretionary dismissal of this arbitration without prejudice so he could proceed against multiple parties in the federal action. Respondent contested and claimed arbitration was proper and contractually required. After hearing arguments in a pre-hearing telephonic conference, the panel denied the motion by order dated August 20, 2004.

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, Inc. f/k/a Prudential Securities, Inc., is liable for and shall pay to Claimant, George Beeson \$160,000.00 in compensatory damages plus simple interest in the amount of \$12,000.00 or 3% per year. Interest shall begin to accrue on January 1, 2003 and shall cease to accrue on June 30, 2005;
- 2.) Respondent Prudential Equity Group, Inc. f/k/a Prudential Securities, Inc., is liable for and shall pay to Claimant, George Beeson, the sum of \$110,000.00 attorney's fees. The authority for the attorney's fees is 29 USC 1132 (g)(1).

- 3.) Respondent Prudential Equity Group, Inc. f/k/a Prudential Securities, Inc., is liable for and shall pay to Claimant, George Beeson, the sum of \$24,800.00 in expert witness fees.
- 4.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and,
- 5.) Any relief not specifically enumerated, including punitive damages and attorney attorneys fees, is hereby denied with prejudice.

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 = \$ 250.00

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 event-giving rise to the dispute. In this matter, the member firm is Prudential Securities, Inc.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,200.00

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Three (3) Pre-hearing session with Panel x \$ 1,000.00	= \$ 3,000.00
Pre-hearing conference: June 28, 2004	1 session
August 30, 2004	1 session
October 12, 2004	1 session

Ten (10) Hearing sessions x \$ 1000.00 = \$10,000.00
Hearing Date(s): April 25, 2005 2 sessions

April 26, 2005 2 sessions

April 27, 2005 2 sessions

April 28, 2005 2 sessions

April 29, 2005 2 sessions

Total Forum Fees = \$13,000.00

The Arbitration Panel has assessed \$6,500.00 of the forum fees to Claimant George Beeson.

The Arbitration Panel has assessed \$6,500.00 of the forum fees to Respondent Prudential.

Fee Summary

Claimant George Beeson is liable for:

Initial Filing Fee	= \$ 250.00
Forum Fees	= \$ 6,500.00
<u>Total Fees</u>	<u>= \$ 6,750.00</u>
<u>Less payments</u>	<u>= \$ 1,250.00</u>
Balance Due NASD Dispute Resolution	= \$ 5,500.00

Respondent, Prudential, is liable for:

Member Fees	= \$ 4,450.00
Forum Fees	= \$ 6,500.00
<u>Total Fees</u>	<u>= \$10,950.00</u>
<u>Less payments</u>	<u>= \$ 4,450.00</u>
Balance Due NASD Dispute Resolution	= \$ 6,500.00

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

ARBITRATION PANEL

Epaminondas Eddie Manelis, Esq. - Public Arbitrator, Presiding Chair
Loren R. Miller, III - Public Arbitrator
William J. Bayer - Non-Public Arbitrator

Concurring Arbitrators:

Epaminondas Eddie Manelis, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Loren R. Miller, III
Public Arbitrator

Signature Date

William J. Bayer
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only) August 2, 2005

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NASD REGULATION


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ARBITRATION PANEL

Epaminondas Eddle Manelis, Esq. - Public Arbitrator, Presiding Chair
Loren R. Miller, III - Public Arbitrator
William J. Bayer - Non-Public Arbitrator

Consuming Arbitrators:



Epaminondas Eddle Manelis, Esq.
Public Arbitrator, Presiding Chair

7/29/05

Signature Date

Loren R. Miller, III
Public Arbitrator

Signature Date

William J. Bayer
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only) _____

ARBITRATION PANEL

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Epaminondas Eddie Manellis, Esq.
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Public Arbitrator

Signature Date

William J. Bayer
Non-Public Arbitrator

7/29/05
Signature Date

Date of Service (For NASD office use only)