

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Don Edgerton, Claimant v. Prudential Equity Group, LLC, Andrew Shanbrom and Kevin T. Kitchin, Respondents

Case Number: 04-01679

Hearing Site: San Francisco, California

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

REPRESENTATION OF PARTIES

For Claimant:

James Jay Seltzer, Esq.
Michael Harrington, Esq.
Law Offices of James Jay Seltzer
Emeryville, California

For Respondents:

Julie L. Taylor, Esq.
Garrett R. Wynne, Esq.
Keesal, Young & Logan
San Francisco, California

CASE INFORMATION

Statement of Claim filed: March 9, 2004

Claimant's Uniform Submission Agreement signed: March 1, 2004

Joint Statement of Answer filed by Respondents Prudential Equity Group, LLC ("Prudential"), Andrew Shanbrom and Kevin T. Kitchin: June 3, 2004

Amended Joint Statement of Answer filed by Respondents Prudential, Andrew Shanbrom and Kevin T. Kitchin: March 22, 2005

Respondent Prudential's Uniform Submission Agreement signed: March 24, 2005

Respondent Andrew Shanbrom's Uniform Submission Agreement signed: December 15, 2004

CASE SUMMARY

In the Statement of Claim, Claimant complains that Respondents failed to recommend outside investment managers that were suitable given Claimant's risk tolerance and investment experience.

Respondents' position is that it did not make any investment recommendations, did not exercise investment discretion with regard to Claimant's independently managed accounts, and that any potential liability should be attributed to the non-party independent investment managers that were retained by Claimant. Claimant's dispute involved investments in various securities, including but not limited to, investments in Cisco stock.

RELIEF REQUESTED

Claimant requested unspecified compensatory damages, interest, punitive damages, attorneys' fees, costs, trebling of the final award, and such further action deemed just and appropriate.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety and an award of costs and forum fees. Respondents also requested an expungement of all references to the above captioned arbitration from Andrew Shanbrom's and Kevin T. Kitchen's registration records maintained by the NASD Central Registration Depository.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Kevin T. Kitchen did not file with NASD Dispute Resolution ("NASD-DR") a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the NASD-DR Code of Arbitration Procedure ("the Code") and, having answered the Claim is bound by the determination of the Panel on all issues submitted.

On December 17, 2004, Claimant and Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies.

STIPULATION

It is hereby stipulated by Claimant and Respondents, through their undersigned attorneys that:

1. All of Claimant's claims asserted against the Respondents are hereby dismissed with prejudice; and
2. Claimant and Respondents jointly request that the Panel render the following award:

The Panel recommends the expungement of all references to the above captioned arbitration from Respondents Andrew Shanbrom's and Kevin T. Kitchin's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondents Andrew Shanbrom and Kevin T. Kitchin must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

AWARD

After considering the preceding Stipulation of the parties, the Panel has decided in full and final resolution of the issues submitted for determination, as follows:

1. Claimant's claims are dismissed with prejudice in their entirety as to all Respondents.
2. The Panel recommends the expungement of all references to the above-captioned arbitration from Respondent Andrew Shanbrom's registration records maintained by the CRD, with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Andrew Shanbrom must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. The Panel recommends the expungement of all references to the above-captioned arbitration from Respondent Kevin T. Kitchin's registration records maintained by the CRD, with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Kevin T. Kitchin must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
4. Each party shall bear its own costs, including attorney's fees.
5. All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD-DR received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$	250.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Prudential is a party and the following fees are assessed:

Member Surcharge	= \$	1,500.00
Pre-Hearing Process Fee	= \$	750.00
<u>Hearing Process Fee</u>	= \$	<u>2,200.00</u>
Total Member Fees	= \$	4,450.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

(1) Pre-hearing conference session with the Panel @ \$1,000.00/session	=	\$1,000.00
Pre-hearing conference: April 14, 2005 1 session		

Total Forum Fees	=	\$1,000.00
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The Panel assessed \$500.00 in forum fees to Claimant.

The Panel assessed \$500.00 in forum fees jointly and severally to Respondents Prudential, Andrew Shanbrom and Kevin T. Kitchin.

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 250.00
<u>Forum Fees</u>	= \$ 500.00
Total Fees	= \$ 750.00
Retained deposit in accordance with Rule 10332(f) of the Code	= \$ 500.00
<u>Less Payments</u>	= \$(1,250.00)
Balance Due NASD-DR	= \$ 0.00

2. Respondent Prudential is charged with the following fees and costs:

Member Fees	= \$ 4,450.00
<u>Less Payments</u>	= \$(4,450.00)
Balance Due NASD-DR	= \$ 0.00


3. Respondents Prudential, Andrew Shanbrom and Kevin T. Kitchin are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 500.00
<u>Less Payments by Prudential</u>	= \$(1,500.00)
Refund Due Prudential	= \$(1,000.00)

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

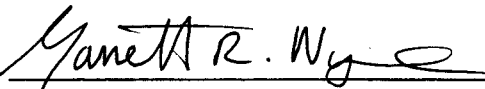
Parties' Signatures

Dated: 3/23/06



James Jay Seltzer, Esq.
Michael Harrington, Esq.
Law Offices of James Jay Seltzer
Attorneys for Don Edgerton

Dated: 3/14/06

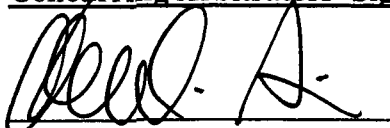


Julie L. Taylor, Esq.
Garrett R. Wynne, Esq.
Keesal, Young & Logan
Attorneys for Prudential Equity Group, LLC,
Andrew Shanbrom and Kevin T. Kitchin

ARBITRATION PANEL

Edwin C. Shiver, Esq.	-	Public Arbitrator, Presiding Chair
David I. Levine, J.D	-	Public Arbitrator
Robert M. Greber	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Edwin C. Shiver, Esq.
Chair, Public Arbitrator

03/01/2006
Signature Date

David I. Levine, J.D
Public Arbitrator

Signature Date

Robert M. Greber
Non-Public Arbitrator

Signature Date

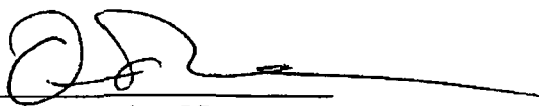
3/30/06
Date of Service

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Public Arbitrator

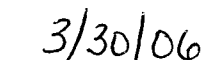
Signature Date



Signature Date

Robert M. Greber
Non-Public Arbitrator

Signature Date



Date of Service

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Non-Public Arbitrator



Signature Date



Date of Service