

**Award  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Names of the Claimants  
Stanley and Dorothy Redmond

Case Number: 04-02004

Names of the Respondents  
Prudential Equity Group, Inc.  
William D. Jenkins

Hearing Site: Philadelphia, PA

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Nature of the Dispute: Customers vs. Member and Associated Person

**REPRESENTATION OF PARTIES**

Claimants, Stanley and Dorothy Redmond, hereinafter collectively referred to as "Claimants", were represented by Alan Frank, Esq., Frank & Rosen, Elkins Park, Pennsylvania.

Respondents, Prudential Equity Group, Inc. ("Prudential") and William D. Jenkins ("Jenkins"), hereinafter collectively referred to as "Respondents", were represented by Daniel T. Fitch, Esq., Stradley Ronon Stevens & Young, LLP, Philadelphia, Pennsylvania.

**CASE INFORMATION**

Statement of Claim filed on March 24, 2004.

Amended Statement of Claim filed on June 21, 2004.

Claimants filed an executed, undated Uniform Submission Agreement on July 21, 2004.

Statement of Answer filed by Respondents on or about August 25, 2004.

A representative of Respondent Prudential signed the Uniform Submission Agreement on August 27, 2004.

Respondent Jenkins signed the Uniform Submission Agreement on August 18, 2004.

**CASE SUMMARY**

Claimants asserted the following causes of action: violation of section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder; violations of the NASD and NYSE suitability rules; violation of §§401, 402, 403 and 404 of the Pennsylvania Securities Act of 1972; violation of the Pennsylvania Unfair Trade Practices and Consumer Protection Law; breach of contract and the covenant of good faith and fair dealing; breach of fiduciary duty; failure to supervise; *respondeat superior*; and, professional negligence. The causes of action relate to the purchase of equities, funds and technology stocks.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses among others: any losses were a result of market conditions; statutes of limitation; all transactions were done at the direction of Claimants; and, ratification.

### **RELIEF REQUESTED**

Claimants requested \$400,000.00 in compensatory damages; treble damages; and, punitive damages, costs and attorneys' fees in unspecified amounts.

Respondents requested that Claimants' claims be dismissed in their entirety.

### **AWARD**

After considering the pleadings, 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. Respondents Prudential and Jenkins are jointly and severally liable to and shall pay to Claimants \$40,000.00 in compensatory damages;
2. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,
3. Any and all relief not specifically addressed herein, including punitive and treble damages, is denied in its entirety.

### **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 = \$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 person at the time of the events giving rise to the dispute. Accordingly, Prudential is a party.

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

**Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel @ \$1,200.00 = \$1,200.00  
Pre-hearing conference: September 20, 2004 1 session

Four (4) Hearing sessions @ \$1,200.00 = \$4,800.00  
Hearing Dates: January 24, 2005 2 sessions  
January 25, 2005 2 sessions

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Total Forum Fees = \$6,000.00

1. The Panel has assessed \$3,000.00 of the forum fees to Claimants, jointly and severally.
2. The Panel has assessed \$3,000.00 of the forum fees to Respondents, jointly and severally.

**Fee Summary**

1. Claimants are jointly and severally assessed and shall pay:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$3,000.00
Total Fees	= \$3,500.00
Less payments	= \$1,700.00
Balance Due NASD Dispute Resolution	= \$1,800.00
  
2. Respondent Prudential is assessed and shall pay:

Member Fees	= \$8,550.00
Total Fees	= \$8,550.00
Less payments	= \$8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00
  
3. Respondents Prudential and Jenkins are jointly and severally assessed and shall pay:

Forum Fees	= \$3,000.00
Total Fees	= \$3,000.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$3,000.00


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

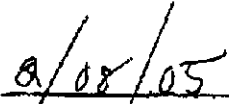
**ARBITRATION PANEL**

Margaret Mary Crumley  
Joseph J. Dougherty, J.D.  
David C. Carter

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator, Panelist
- Non-Public Arbitrator, Panelist

**Concurring Arbitrators' Signatures**

  
Margaret Mary Crumley  
Public Arbitrator, Presiding Chairperson

  
\_\_\_\_\_  
Signature Date

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Joseph J. Dougherty, J.D.  
Public Arbitrator, Panelist

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Signature Date

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David C. Carter  
Non-Public Arbitrator, Panelist

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Signature Date

  
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Date of Service (For NASD Dispute Resolution office use only)

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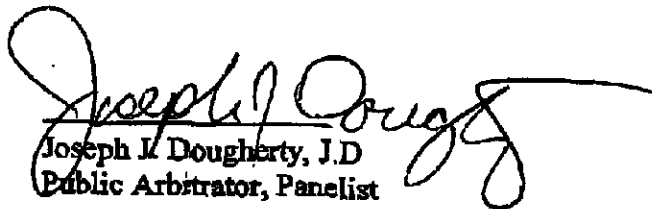
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Signature Date

  
Joseph J. Dougherty, J.D.  
Public Arbitrator, Panelist

2/8/05  
Signature Date

David C. Carter  
Non-Public Arbitrator, Panelist

\_\_\_\_\_  
Signature Date

February 8, 2005  
Date of Service (For NASD Dispute Resolution office use only)

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