

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Audrey Stein Goldings

Case Number: 04-02893

Name of the Respondents
Prudential Equity Group, LLC; and,
Francisco Gonzalez- Soldevilla

Hearing Site: Dallas, Texas

NATURE OF THE DISPUTE

Public Customer v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Audrey Stein Goldings ("Claimant") was represented by Thomas S. Reavely, Esq. and Nicholas Cooper, Esq., of Whitfield & Eddy, P.L.C., located in Des Moines, Iowa.

Respondents Prudential Securities, Inc., n/k/a Prudential Equity Group, LLC, ("Prudential") and Frank Gonzalez-Soldevilla ("Gonzalez-Soldevilla") were represented by David A. Picon, Esq. and John R. Braatz, Esq., of Proskauer Rose, L.L.P., located in New York, New York.

CASE INFORMATION

Statement of Claim filed: April 20, 2004.

Claimant signed the Uniform Submission Agreement: April 10, 2004.

Statement of Answer and Motion to Dismiss filed by Respondents on: February 2, 2005.

Respondent Prudential signed the Uniform Submission Agreement: January 26, 2005.

Respondent Gonzalez-Soldevilla signed the Uniform Submission Agreement: January 19, 2005.

Claimant's Resistance to Respondents' Motion to Dismiss filed: March 21, 2005.

Respondents' Letter Brief in Support of their Motion to Dismiss filed on: March 22, 2005.

Claimant's Letter Brief and Affidavit in Further Support of Her Resistance to Respondents' Motion to Dismiss Statement of Claim filed: August 1, 2005.

Respondents' Copies of Authorities and Position Letter filed: August 31, 2005.

Respondents' Letter brief with e-mail attachments filed on: September 8, 2005.

CASE SUMMARY

Claimant alleged that Respondents had recommended unsuitable and speculative securities for her account by purchasing technology stocks and other high-risk investments. Claimant further claimed that Respondents failed to properly diversify Claimant's portfolio. Based upon these allegations, Claimant asserted causes of action for breach of fiduciary duty; misrepresentation; unsuitability; failure to supervise; negligence and *Respondeat Superior*.

Respondents in their Statement of Answer set forth that Claimant approved, authorized and ratified the acts complained of, that Claimant's losses were a result of her own conduct and Claimant's claim is barred by the doctrines of contributory negligence and/or comparative negligence, that Claimant did not rely to her detriment on any action or inaction of Respondents and that Claimant's claims are barred in whole or in part by the doctrines of estoppel, laches, limitations, and applicable eligibility rules. Respondents in their Motion to Dismiss, further argued that the Code of Arbitration Procedure empowers arbitrators to grant pre-hearing motions to dismiss, set forth that Claimant has no breach of fiduciary duty claim as a matter of law and requested an Order Expunging the Claims of Claimant from the NASD Central Registration Depository Records of Respondent Gonzalez-Soldevilla.

RELIEF REQUESTED

Claimant Audrey Stein Goldings requested:

| | |
|--|--------------------|
| Compensatory Damages | \$ 659,000.00 |
| Punitive Damages | \$ 141,000.00 |
| Attorneys' Fees | Unspecified Amount |
| Other Costs | Unspecified Amount |
| Other Monetary/Non-Monetary Relief if any: | Unspecified Amount |

Respondents Prudential Securities, Inc., n/k/a Prudential Equity Group, LLC and Frank Gonzalez-Soldevilla requested that the Panel:

1. Dismiss the Statement of Claim in its entirety;
2. Award Prudential the costs and expenses of this arbitration;
3. Enter an Order expunging this matter from the NASD Central Registration Depository records of Gonzalez-Soldevilla; and
4. Award Prudential such other and further relief as is just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

A telephonic hearing was held beginning at 10:00 a.m. on Wednesday, September 7, 2005. Present at the hearing were: Thomas Reavely and Nicholas Cooper, representing Claimant, and John R. Braatz and David Picon, representing Respondents. Also present at the hearing was Mark E. Nowicki, Senior Attorney, NASD Dispute Resolution. Respondents, acting by and through counsel, John R. Braatz and David Picon, presented arguments in support of their Motion to Dismiss the Statement of Claim. Claimant, acting by and through her counsel,

Thomas Reavely and Nicholas Cooper, argued against granting of the Motion to Dismiss. At the conclusion of the hearing, the panel held the hearing open until 5:00 p.m. on September 14, 2005, for the submission of such additional evidence in the form of letter briefs or affidavits as the Respondents or Claimant may elect to submit.

AWARD

After considering the pleadings, the arguments presented at the pre-hearing, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The arbitrators find that they have authority to dismiss matters before them pursuant to the NASD Code of Arbitration;
2. The evidence submitted by Claimant by sworn affidavit, when assumed to be true, fails to set out the basis for a claim against Respondents;
3. The Statement of Claim of Claimant is dismissed in its entirety without any finding of fault or liability on the part of Prudential Securities, Inc. and Frank Gonzalez-Soldevilla;
4. Each party shall bear their respective costs, including attorney's fees; and,
5. Any and all relief not specifically addressed herein is dismissed 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 | = \$ 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. Accordingly, Prudential Securities, Inc., n/k/a Prudential Equity Group, LLC, is a party and the following Member Fees are assessed:

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed: None.

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), that

lasts four (4) hours or less. Fees associated with these proceedings are:

| | |
|--|---------------|
| Two (2) Pre-hearing sessions with Panel @ \$1,200.00 | = \$ 2,400.00 |
| Pre-hearing conferences: May 2, 2005 1 session | |
| September 7, 2005 1 session | |
| Total Forum Fees | = \$ 2,400.00 |

The Panel has assessed \$1,200.00 of the forum fees to the Claimant, Audrey Stein Goldings, and has assessed the remaining \$1,200.00 of the forum fees, jointly and severally, to Respondents Prudential Securities, Inc., n/k/a Prudential Equity Group, LLC and Frank Gonzalez-Soldevilla.

SEE SUMMARY

Claimant Audrey Stein Goldings is solely liable for:

| | |
|-------------------------------------|---------------|
| Initial Filing Fee | = \$ 375.00 |
| Forum Fees | = \$ 1,200.00 |
| Total Fees | = \$ 1,575.00 |
| Less payments | = \$ 1,575.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

Respondent Prudential Securities, Inc., n/k/a Prudential Equity Group, LLC is solely liable for:

| | |
|-------------------------------------|---------------|
| Member Fees | = \$ 7,000.00 |
| Less payments | = \$ 7,000.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

Respondent Prudential Securities, Inc., n/k/a Prudential Equity Group, LLC and Frank Gonzalez-Soldevilla is jointly and severally liable for:

| | |
|-------------------------------------|---------------|
| Forum Fees | = \$ 1,200.00 |
| Less payments | = \$ 0.00 |
| Balance Due NASD Dispute Resolution | = \$ 1,200.00 |

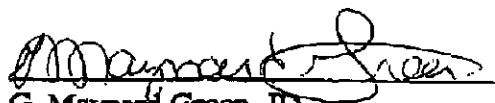
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

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ARBITRATION PANEL

G. Maynard Green, JD - Public Arbitrator, Presiding Chairperson
Michael E. Rohde, Esq. - Public Arbitrator
Karen Jean Zvonecek - Non-Public Arbitrator

Concurring Arbitrators' Signatures



G. Maynard Green, JD
Public Arbitrator, Presiding Chairperson

September 21, 2005

Signature Date

Michael E. Rohde, Esq.
Public Arbitrator

Signature Date

Karen Jean Zvonecek
Non-Public Arbitrator

Signature Date

9/27/05 

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

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G. Maynard Green, JD
Public Arbitrator, Presiding Chairperson



Michael E. Rohde, Esq.
Public Arbitrator

Signature Date

9/22/05

Signature Date

Karen Jean Zvoncek
Non-Public Arbitrator

9/27/05 

Signature Date

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Public Arbitrator, Presiding Chairperson

Signature Date

Michael E. Rohde, Esq.
Public Arbitrator

Signature Date


Karen Jean Zvonecek
Non-Public Arbitrator

Sept. 21, 2005
Signature Date

9/27/05 Man
Date of Service (For NASD Dispute Resolution office use only)