

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Mathew Kaufman (Claimant) v. Prudential Equity Group, LLC and Anthony Cappiello
(Respondents)

Case Number: 04-03202

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimant Mathew Kaufman hereinafter referred to as "Claimant": Vincent J. Imbesi, Esq.,
Avelino & Associates, P.C., New York, NY.

Respondents Prudential Equity Group, LLC ("Prudential") and Anthony Cappiello ("Cappiello")
hereinafter collectively referred to as "Respondents": Alan S. Brodherson, Esq., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: April 29, 2004.

Amended Statement of Claim filed on or about: October 25, 2004.

Claimant signed the Uniform Submission Agreement: April 27, 2004.

Joint Statement of Answer filed by Respondents on or about: July 7, 2004.

Joint Amended Answer to the Amended Statement of Claim filed by Respondents on or about:
January 3, 2005.

Respondent Prudential signed the Uniform Submission Agreement: July 15, 2004 and July 29,
2004.

Respondent Cappiello signed the Uniform Submission Agreement: July 27, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: fraud; breach of fiduciary duty; breach of the implied covenant of good faith and fair dealing; material omission of fact; fraudulent misrepresentation; professional negligence; breach of contract; fraudulent concealment; violation of Sections 10(b), 10b-5, 15, and 20 of the Securities Exchange Act of 1934; and respondeat superior. The causes of action relate to shares of Palm, Inc., Superconductor Technological Inc., Neorx Corp., Celtrix Pharmaceuticals, and Information Architects Co.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In his original Statement of Claim, Claimant requested compensatory damages in the amount of \$101,000.00 but in the Amended Statement of Claim, Claimant requested compensatory damages in the amount of \$77,700.00. In addition, Claimant requested pre-award interest; post-award interest; attorneys' fees; costs; expert witness fees; and such other and further relief as the arbitrators deem just and equitable.

Respondents requested that the Panel dismiss the Amended Statement of Claim; costs and expenses; and such other and further relief as the arbitrators deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

At the hearing, Claimant orally amended the Statement of Claim regarding the loss of \$28,000.00 from trading Palm One Inc. The damages were reduced to \$59,156.00, plus interest.

On or about November 15, 2004, NASD Dispute Resolution was notified that the Claimant withdrew his claims against Respondent Cappiello.

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.

AWARD

After considering the pleadings, and 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. Claimant's claims are dismissed in their entirety.
2. Any and all relief not specifically addressed herein is denied.

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	= \$300.00
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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 Equity Group, LLC is a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,700.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

April 19-20, 2005, adjournment by Respondent Prudential	= \$ 750.00
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Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

April 19-20, 2005 adjournment by Respondent Prudential	= \$ 300.00
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Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 @ \$450.00	= \$ 450.00
Pre-hearing conference: December 15, 2004 1 session	

One (1) Pre-hearing session with Panel @ \$1,125.00	= \$1,125.00
Pre-hearing conference: October 18, 2004 1 session	

Six (6) Hearing sessions @ \$750.00	= \$4,500.00
Hearing Dates:	
April 21, 2005 2 sessions	
April 22, 2005 2 sessions	
May 16, 2005 2 sessions	

Total Forum Fees	= \$6,075.00
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1. The Panel has assessed \$3,037.50 of the forum fees against Claimant.
2. The Panel has assessed \$3,037.50 of the forum fees against Respondent Prudential.

Fee Summary

1. Claimant is solely liable for:	
Initial Filing Fee	= \$ 300.00
Forum Fees	= \$3,037.50
Total Fees	= \$3,337.50
Less payments	= \$1,425.00

Balance Due NASD Dispute Resolution	= \$1,912.50
2. Respondent Prudential is solely liable for:	
Member Fees	= \$4,150.00
Adjournment Fee	= \$ 750.00
Three-Day Cancellation Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$3,037.50</u>
Total Fees	= \$8,237.50
<u>Less payments</u>	<u>= \$7,650.00</u>
Balance Due NASD Dispute Resolution	= \$ 587.50


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

ARBITRATION PANEL

Gloria Messinger, Esq.	-	Public Arbitrator, Presiding Chairperson
Raymond Nardo	-	Public Arbitrator
Thomas Caiaffa	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Gloria Messinger, Esq.
Public Arbitrator, Presiding Chairperson

May 26, 2005

Signature Date

Raymond Nardo
Public Arbitrator

Signature Date

Thomas Caiaffa
Non-Public Arbitrator

Signature Date

JUNE 3, 2005

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

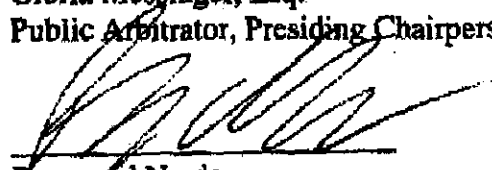
Gloria Messinger, Esq.	-	Public Arbitrator, Presiding Chairperson
Raymond Nardo	-	Public Arbitrator
Thomas Caiaffa	-	Non-Public Arbitrator

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I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Gloria Messinger, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Raymond Nardo
Public Arbitrator

Signature Date

Thomas Caiaffa
Non-Public Arbitrator

Signature Date

June 3, 2005
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Gloria Messinger, Esq.	-	Public Arbitrator, Presiding Chairperson
Raymond Nardo	-	Public Arbitrator
Thomas Caiaffa	-	Non-Public Arbitrator

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Gloria Messinger, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Raymond Nardo
Public Arbitrator

Signature Date



Thomas Caiaffa
Non-Public Arbitrator

5/26/05

Signature Date

JUNE 3, 2005

Date of Service (For NASD Dispute Resolution use only)