

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Gary H. Meyer

and

Case Number: 04-03206
Hearing Site: Houston, Texas

Names of Respondents

Prudential Equity Group, LLC, and
Robert G. Florance

NATURE OF DISPUTE

Customer v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Gary H. Meyer ("**Claimant**") was represented by Robert E. Lapin, Esq., Lapin & Landa, LLP, Houston, Texas.

Prudential Equity Group, LLC ("**Prudential**") and Robert G. Florance ("**Florance**"), hereinafter collectively referred to as "Respondents," were represented Jeffrey Hamilton, Esq., and Retta A. Miller, Esq., Jackson Walker, LLP, Dallas, Texas

CASE INFORMATION

The Statement of Claim was filed on or about April 30, 2004. The Submission Agreement of Claimant, Gary H. Meyer, was signed on or about March 30, 2004. On or about May 10, 2005, Claimant filed a Motion for Leave to Amend the Statement of Claim.

The Joint Statement of Answer was filed by Respondents, Prudential Equity Group, LLC and Robert G. Florance, on or about July 28, 2004. The Submission Agreement of Respondent, Prudential Equity Group, LLC, was signed on or about July 8, 2004. The Submission Agreement of Respondent, Robert G. Florance, was signed on or about July 16, 2004. On or about May 13, 2005, Respondents filed their Response to the Motion for Leave to Amend the Statement of Claim.

CASE SUMMARY

Claimant asserted the following causes of action: failure to supervise, breach of fiduciary

duty, and suitability. The causes of action related to the recommendation and investment in two managed accounts, one with Groupama Asset Management, and the other with, Trust Company of the West. In addition, Respondents recommended and purchased equities and equity mutual funds with the remainder of Claimant's retirement funds. Claimant alleged that Respondents failed to act upon their own institutional guidelines and advise Claimant to diversify his portfolio with investment alternatives, which would have protected his savings from unnecessary risks given his client profile and investment objectives.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim failed to state a claim upon which relief can be granted; Claimant had full knowledge of the overall frequency and nature of the transactions in his accounts; Claimant's claims are barred by the applicable statute of limitations or by the doctrine of laches; Claimant directed these investments with full knowledge of the risks associated with the investments; Claimant is barred from recovering all or some of their alleged damages because of his own negligence and fault.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$250,000.00
Punitive/Exemplary Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

On or about May 18, 2005, the Panel denied Claimant's Motion for Leave to Amend the Statement of Claim.

At the final hearing, Respondent Florance's counsel made an oral request to expunge this claim from his CRD record. The Panel denied this request.

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, LLC, is liable for and shall pay to Claimant, Gary H. Meyer, the sum of \$73,333.34 in compensatory damages;
- 2.) Respondent, Prudential Equity Group, LLC, is liable for and shall pay to Claimant, Gary H. Meyer, interest on the above-stated sum, at the rate of 6% per annum from and including September 30, 1999 through and including the date this Award is paid in full pursuant to Texas statute;
- 3.) Respondent, Robert G. Florance, is liable for and shall pay to Claimant, Gary H. Meyer, the sum of \$36,666.66 in compensatory damages;
- 4.) Respondent, Robert G. Florance, is liable for and shall pay to Claimant, Gary H. Meyer, interest on the above-stated sum, at the rate of 6% per annum from and including September 30, 1999 through and including the date this Award is paid in full pursuant to Texas statute;
- 5.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 6.) Any relief not specifically enumerated, including punitive damages and attorney 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 = \$ 300.00

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. In this matter, the member firm is Prudential Equity Group, LLC.

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,750.00

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 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 Panel x \$1,125.00	= \$ 1,125.00
Pre-hearing conference: October 28, 2004	1 session
Six (6) Hearing sessions x \$1,125.00	= \$ 6,750.00
Hearing Dates: May 23, 2005	2 sessions
May 24, 2005	2 sessions
May 25, 2005	2 sessions
Total Forum Fees	= \$ 7,875.00

The Arbitration Panel has assessed \$5,250.00 of the forum fees to Prudential Equity Group, LLC.

The Arbitration Panel has assessed \$2,625.00 of the forum fees to Robert G. Florance.

Fee Summary

Claimant, Gary H. Meyer, is liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$ 1,425.00
Refund Due to Claimant	= \$ 1,125.00

Respondent, Prudential Equity Group, LLC, is liable for:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 5,250.00
Total Fees	= \$10,450.00
Less payments	= \$ 5,200.00

Balance Due NASD Dispute Resolution = \$ 5,250.00

Respondent, Robert G. Florance, is liable for:

<u>Forum Fees</u>	= \$ 2,625.00
<u>Total Fees</u>	= \$ 2,625.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 2,625.00

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

ARBITRATION PANEL

Walton L. Huff - Public Arbitrator, Presiding Chair
Frank M. Romano - Public Arbitrator
Joseph Herbert Storthz - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Walton L. Huff
Walton L. Huff
Public Arbitrator, Presiding Chair

May 26, 2005
Signature Date

/s/ Frank M. Romano
Frank M. Romano
Public Arbitrator

May 26, 2005
Signature Date

/s/ Joseph Herbert Storthz
Joseph Herbert Storthz
Non-Public Arbitrator

May 26, 2005
Signature Date

May 26, 2005
Date of Service (For NASD office use only)

Balance Due NASD Dispute Resolution = \$ 5,250.00

Respondent, Robert G. Florance, is liable for:

Forum Fees = \$ 2,625.00

Total Fees = \$ 2,625.00

Less payments = \$ 0.00

Balance Due NASD Dispute Resolution = \$ 2,625.00

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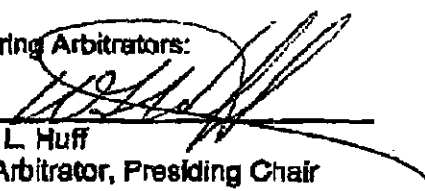
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Frank M. Romano - Public Arbitrator

Joseph Herbert Storthz - Non-Public Arbitrator

Concurring Arbitrators:


Walton L. Huff
Public Arbitrator, Presiding Chair

5/26/05
Signature Date

Frank M. Romano
Public Arbitrator

Signature Date

Joseph Herbert Storthz
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Balance Due NASD Dispute Resolution = \$ 5,250.00

Respondent, Robert G. Florence, is liable for:

Forum Fees = \$ 2,625.00

Total Fees = \$ 2,625.00

Less payments = \$ 0.00

Balance Due NASD Dispute Resolution = \$ 2,625.00

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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Frank M. Romano - Public Arbitrator

Joseph Herbert Storthz - Non-Public Arbitrator

Concurring Arbitrators:

Walton L. Huff
Public Arbitrator, Presiding Chair

Signature Date

Frank M. Romano

5/26/05

Frank M. Romano
Public Arbitrator

Signature Date

Joseph Herbert Storthz
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Balance Due NASD Dispute Resolution = \$ 5,250.00

Respondent, Robert G. Fiorance, is liable for:

Forum Fees = \$ 2,625.00

Total Fees = \$ 2,625.00

Less payments = \$ 0.00

Balance Due NASD Dispute Resolution = \$ 2,625.00

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

ARBITRATION PANEL

Walton L. Huff - Public Arbitrator, Presiding Chair

Frank M. Romano - Public Arbitrator

Joseph Herbert Storthz - Non-Public Arbitrator

Concurring Arbitrators:

Walton L. Huff
Public Arbitrator, Presiding Chair

Signature Date

Frank M. Romano
Public Arbitrator

Signature Date



Joseph Herbert Storthz
Non-Public Arbitrator

May 26, 2005

Signature Date

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