

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Mary DiRollo (Claimant) v. Prudential Financial, Prudential Equity Group, LLC f/k/a Prudential Securities, Inc., Wachovia Securities, LLC, and Eric E. Lawton, III (Respondents)

Case Number: 04-03889

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimant Mary DiRollo ("DiRollo") hereinafter referred to as "Claimant": Brian Reis, Esq., New York, NY.

Respondents Prudential Equity Group, LLC f/k/a Prudential Securities, Inc. ("Prudential") and Eric Lawton, III ("Lawton"): Carole A. McDonald, Esq., Prudential Equity Group, LLC, New York, NY.

Respondent Wachovia Securities, LLC ("Wachovia"): Kevin B. Hurley, Esq., Wachovia Securities, LLC, Richmond, VA.

CASE INFORMATION

Statement of Claim filed on or about: May 27, 2004.

Claimant signed the Uniform Submission Agreement: May 26, 2004.

Joint Statement of Answer filed by Respondents Prudential and Lawton on or about: September 2, 2004.

Respondent Prudential signed the Uniform Submission Agreement: September 2, 2004.

Respondent Lawton signed the Uniform Submission Agreement: August 30, 2004.

Respondent Wachovia did not file a Statement of Answer or sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: unauthorized trading; unsuitability; misrepresentation; failure to follow instructions; breach of fiduciary duty; churning; negligent supervision; breach of contract; and respondeat superior. The causes of action relate to the

American Growth Mutual Fund, WorldCom, Inc., US West Communications, Nortel Networks LTD.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$20,000.00; disgorgement of all commissions charged and payment of fees assessed; punitive damages; attorneys' fees; forum fees; interest; and a referral of the actions of Respondents to the Department of Enforcement for investigation.

Respondents Prudential and Lawton requested that the Panel deny Claimant's request for an award of damages; fees and expenses; and that costs associated with this claim be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitrator (the "Arbitrator") determined that Respondent Wachovia has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Wachovia did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Arbitrator on all issues submitted.

In their Statement of Answer, Respondents Prudential and Lawton requested that Respondents Prudential Financial and Wachovia be dismissed from this matter as they were improperly named. Respondent Prudential Financial was not served with a copy of the Statement of Claim and did not appear as a party in this matter. The Arbitrator, therefore, did not address any claims asserted against Respondent Prudential Financial or award any damages against said entity.

On or about February 23, 2005, the Arbitrator dismissed Claimant's claims against Respondent Wachovia.

AWARD

After considering the pleadings, and the testimony and evidence presented at the hearing, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Prudential is solely liable for and shall pay to Claimant compensatory damages in the amount of \$9,000.00.

2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Eric Lawton, III's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Eric Lawton, III must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive. Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents. Pursuant to Rule 2130 of the NASD Code of Arbitration Procedure, the Arbitration Panel has made the following affirmative findings of fact: The claim, allegation, or information is false.
3. Any and all relief not specifically addressed herein, including punitive damages, 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 = Waived

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Prudential Equity Group, LLC f/k/a Prudential Securities, Inc. and Wachovia Securities, LLC are parties:

Member surcharge = \$425.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the 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 the sole arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: February 15, 2005 1 session

Four (4) Hearing sessions @ \$450.00 = \$1,800.00
Hearing Dates: May 26, 2005 2 sessions
May 27, 2005 2 sessions

Total Forum Fees = \$2,250.00

1. The Arbitrator has assessed \$900.00 of the forum fees against Claimant.
2. The Arbitrator has assessed \$1,350.00 of the forum fees against Respondent Prudential.

Fee Summary

1. Claimant is solely liable for:

<u>Forum Fees</u>	= \$ 900.00
<u>Total Fees</u>	= \$ 900.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 900.00

2. Respondent Prudential is solely liable for:

<u>Member Fees</u>	= \$ 425.00
<u>Forum Fees</u>	= \$1,350.00
<u>Total Fees</u>	= \$1,775.00
<u>Less payments</u>	= \$ 425.00
<u>Balance Due NASD Dispute Resolution</u>	= \$1,350.00

3. Respondent Wachovia is solely liable for:

<u>Member Fees</u>	= \$ 425.00
<u>Total Fees</u>	= \$ 425.00
<u>Less payments</u>	= \$ 425.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

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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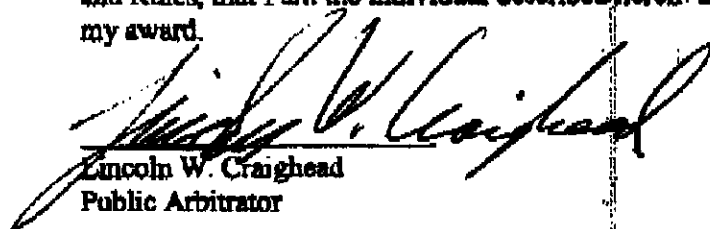
ARBITRATOR

Lincoln W. Craighead

Sole Public Arbitrator

Arbitrator's Signature

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.


Lincoln W. Craighead
Public Arbitrator

Signature Date

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