

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of the Claimant  
Barbara A. Weisman

Case Number: 04-04914

Names of the Respondents  
Prudential Equity Group, LLC  
f/k/a Prudential Securities, Inc.  
Scott Revis  
Grace Lostetter

Hearing Site: Pittsburgh, PA

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

**REPRESENTATION OF PARTIES**

Claimant, Barbara A. Weisman, hereinafter referred to as "Claimant", was represented by John P. Edgar, Esq., Sherrard, German & Kelly, P.C., Pittsburgh, Pennsylvania.

Respondents, Prudential Equity Group, LLC f/k/a Prudential Securities, Inc. ("Prudential"), Scott Revis ("Revis") and Grace Lostetter ("Lostetter"), hereinafter collectively referred to as "Respondents", were represented by David T. Ganes, Esq., Stradley Ronon Steven & Young, LLP, Cherry Hill, New Jersey.

**CASE INFORMATION**

Statement of Claim filed on July 12, 2004.

Claimant signed the Uniform Submission Agreement on June 18, 2004.

Statement of Answer filed by Respondents on October 14, 2004.

A representative of Respondent Prudential executed the Uniform Submission Agreement on December 28, 2004.

Respondent Revis signed the Uniform Submission Agreement on January 5, 2005.

Respondent Lostetter signed the Uniform Submission Agreement on December 30, 2004.

**CASE SUMMARY**

In the Statement of Claim, Claimant asserted the following causes of action, among others: churning, violation of section 10(b) of the Securities Exchange Act of 1934, fraud, deceit, breach of contract, breach of fiduciary duties, violation of the Pennsylvania unfair trade practices and consumer protection law, unsuitability and negligent supervision. The causes of action relate to the handling of Claimant's accounts by Respondents.

Unless specifically admitted in their Statement of Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to mitigate damages, estoppel, laches, ratification, failure to object, statute of limitations,

Respondents did not owe Claimant any fiduciary duty, and authorization.

### **RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$409,040.11, treble damages, punitive damages, interest, attorneys' fees, and other costs.

Respondents requested that the Statement of Claim be dismissed in its entirety and that costs and attorneys' fees be assessed against Claimant.

### **OTHER ISSUES CONSIDERED AND DECIDED**

At the hearing on the merits, Respondent Prudential made an oral motion to exclude portions of the Statement of Claim referring to Claimant's children's accounts, and an oral motion to exclude based on the statute of limitations. The Arbitration Panel (the "Panel") denied both motions.

The parties 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, 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 are jointly and severally liable to and shall pay to Claimant the sum of \$12,000.00 in compensatory damages. No interest is awarded on this amount;
2. Respondents are jointly and severally liable to and shall pay to Claimant the sum of \$500.00 in reimbursement for the initial-claim filing fee;
3. The parties shall bear their respective costs, except as Fees are specifically addressed below; and
4. Any and all relief not specifically addressed herein, including treble and punitive 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
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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, Respondent Prudential is a party.

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

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

May 17-20, 2005, adjournment requested by Respondent Lostetter	waived
October 18-21, 2005, adjournment requested by Claimant	= \$ 1,200.00

**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), 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: August 31, 2005		
Two (2) Pre-hearing sessions with the Panel @ \$ 1,200.00	= \$	2,400.00
Pre-hearing conferences: January 19, 2005 1 session		
July 15, 2005 1 session		
Four (4) Hearing sessions @ \$ 1,200.00	= \$	4,800.00
Hearing Dates: March 20, 2006 2 sessions		
March 21, 2006 2 session		
Total Forum Fees	= \$	7,650.00

The Panel has assessed \$ 7,650.00 of the forum fees to Respondent Prudential.

**Fee Summary**

1. Claimant is assessed and shall pay:

Initial Filing Fee	= \$	500.00
Adjournment Fees	= \$	1,200.00
Total Fees	= \$	1,700.00
Less payments	= \$	1,700.00
Balance Due NASD Dispute Resolution	= \$	0.00

2. Respondent Prudential is assessed and shall pay:

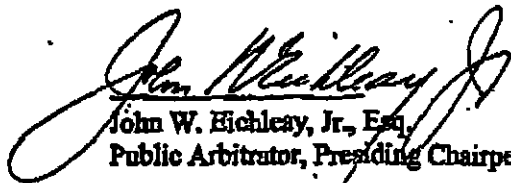
Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	<u>= \$ 7,650.00</u>
Total Fees	= \$ 16,200.00
<u>Less payments</u>	<u>= \$ 13,550.00</u>
Balance Due NASD Dispute Resolution	= \$ 2,650.00

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

ARBITRATION PANEL

John W. Eichleay, Jr., Esq.	- Public Arbitrator, Presiding Chairperson
Michael S. Lando, Esq.	- Public Arbitrator, Panelist
Ralph H. Phillips	- Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

  
John W. Eichleay, Jr., Esq.  
Public Arbitrator, Presiding Chairperson

March 23, 2006  
Signature Date

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Michael S. Lando, Esq.  
Public Arbitrator, Panelist

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

\_\_\_\_\_  
Ralph H. Phillips  
Non-Public Arbitrator, Panelist

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

March 27, 2006  
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

John W. Eichleay, Jr., Esq.  
Public Arbitrator, Presiding Chairperson

Signature Date

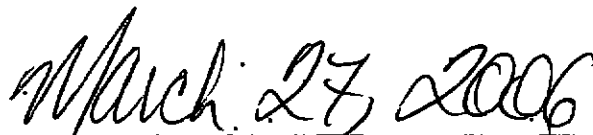


Michael S. Lando, Esq.  
Public Arbitrator, Panelist

3/23/06  
Signature Date

Ralph H. Phillips  
Non-Public Arbitrator, Panelist

Signature Date



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Public Arbitrator, Presiding Chairperson

Signature Date

Michael S. Lando, Esq.  
Public Arbitrator, Panelist

Signature Date

Ralph H. Phillips  
Ralph H. Phillips  
Non-Public Arbitrator, Panelist

03/27/2006  
Signature Date

March 27 2006  
Date of Service (For NASD Dispute Resolution office use only)