

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants

Larry M. Lance
Judy W. Lance
Judy W. Lance IRA

Case Number: 04-05057

Names of the Respondents

Prudential Equity Group, LLC
Wachovia Securities, LLC
Prudential Financial, Inc. (a subsidiary of
The Prudential Insurance Company of America)
James Tracy Stines

Hearing Site: Charlotte, North Carolina

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

REPRESENTATION OF PARTIES

Larry M. Lance, Judy W. Lance and the Judy W. Lance IRA, hereinafter collectively referred to as "Claimants", appeared pro se.

For Prudential Equity Group, LLC ("Respondent Prudential Equity") and James Tracy Stines ("Respondent Stines"): John Barr Esq., McGuireWoods, LLP, Richmond, Virginia.

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

For Prudential Financial, Inc., a subsidiary of The Prudential Insurance Company of America ("Respondent Prudential Financial"): Michael Dorsey, Esq., The Prudential Insurance Company of America, Newark, New Jersey.

CASE INFORMATION

Statement of Claim filed on or about: July 14, 2004.

Claimants signed the Uniform Submission Agreements: July 30, 2004.

Amended Statement of Claim filed on or about: July 30, 2004.

Answer and Affirmative Defenses filed by Respondents Prudential Equity and Stines on or about: October 14, 2004.

Respondent Wachovia did not file an Answer or Uniform Submission Agreement.

Respondent Prudential Financial did not file an Answer or Uniform Submission Agreement.

Respondent Stines signed the Uniform Submission Agreement: October 28, 2004.

Respondent Prudential Equity signed the Uniform Submission Agreement: November 1, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; unsuitability; misrepresentation, negligence; and, negligent supervision. The causes of action relate to, among other things, Claimants' investments in unspecified technological and telecommunications securities.

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$219,459.00; interest on the total amount from July 2002 to the present at the highest amount of interest as allowed by law; unspecified punitive damages; costs; and, expenses.

Respondents Prudential Equity and Stines requested that the Amended Statement of Claim be dismissed and that costs be assessed against Claimants. Respondents Prudential Equity and Stines further requested expungement of all reference to this matter from Respondent Stines' registration records maintained by the NASD Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

On or about January 24, 2005, Claimants filed with NASD Dispute Resolution ("NASD") a Notice of Voluntary Withdrawal, with prejudice, of their claims against Respondent Wachovia.

Respondent Prudential Financial did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure (the "Code") and is bound by the determination of the Panel on all issues submitted.

At the outset of the evidentiary hearing, on or about November 2, 2005, the parties agreed that the proper member firm Respondent is Prudential Equity and that Prudential Financial is not a party to this case. The Panel accepted Claimants' withdrawal, with prejudice, of all claims asserted against Respondent Prudential Financial.

During the evidentiary hearing, on or about September 10, 2006, Respondents Prudential Equity and Stines made an ore tenus motion to dismiss Claimants' claims concerning account number 12063 and account number 12062, asserting that Claimants were not the proper parties in interest. Claimants objected to Respondents' motion. After careful consideration, the Panel denied Respondents' motion.

On or about September 13, 2006, Claimants filed with NASD Dispute Resolution an Affidavit Regarding Fees, Expenses and Costs in which Claimants sought to amend their relief requests for fees, expenses and costs. 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.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Claimants' claims are denied in their entirety.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages and Respondents Prudential Equity and Stines' request for expungement, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent Prudential Equity is a member firm and a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred in this matter.

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:

No three-day cancellation fees were incurred in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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: September 9, 2005 1 session	
Two (2) Pre-hearing sessions with the Panel @ \$1,125.00/session	= \$ 2,250.00
Pre-hearing conferences: March 22, 2005 1 session	
April 3, 2006 1 session	
Seven (7) Hearing sessions @ \$1,125.00/session	= \$ 7,875.00
Hearing Dates: November 2, 2005 2 sessions	
November 3, 2005 2 sessions	
September 13, 2006 2 sessions	
September 14, 2006 1 session	

Total Forum Fees	= \$10,575.00
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The Panel has assessed \$5,287.50 of the forum fees to Claimants, jointly and severally. The Panel has assessed \$5,287.50 of the forum fees to Respondents Prudential Equity and Stines jointly and severally.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Administrative costs of \$45.00 were incurred jointly and severally by Respondents Prudential Equity and Stines for transcription of audio tapes.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$5,287.50</u>
<u>Total Fees</u>	<u>= \$5,587.50</u>
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$4,432.50

Respondent Prudential Equity is solely liable for:

<u>Member Fees</u>	<u>= \$5,200.00</u>
<u>Total Fees</u>	<u>= \$5,200.00</u>
<u>Less payments</u>	<u>= \$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents Prudential Equity and Stines are jointly and severally liable for:

Administrative Costs	= \$ 45.00
<u>Forum Fees</u>	<u>= \$5,587.50</u>
<u>Total Fees</u>	<u>= \$5,632.50</u>
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$5,632.50

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

ARBITRATION PANEL

Laurence M. Scoville, Jr., Esq.	-	Public Arbitrator, Presiding Chairperson
Joe Carroll Thomas, M.S.	-	Public Arbitrator
Frank Samuel Perri, II	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ _____
Laurence M. Scoville, Jr., Esq.
Public Arbitrator, Presiding Chairperson

September 21, 2006
Signature Date

/s/ _____
Joe Carroll Thomas, M.S.
Public Arbitrator

September 21, 2006
Signature Date

/s/ _____
Frank Samuel Perri, II
Non-Public Arbitrator

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Signature Date

September 21, 2006
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution
 Arbitration No. 04-05057
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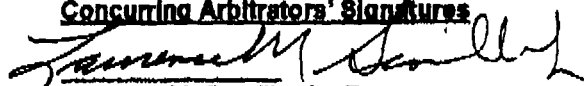
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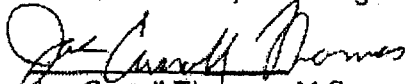
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