

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Richard C. Flegenheimer (Claimant) vs. Prudential Equity Group f/k/a Prudential Securities, Inc.
(Respondent)

Case Number:05-00336

Hearing Site: New York, New York

Nature of the Dispute: Customer vs. Member

REPRESENTATION OF PARTIES

Claimant Richard C. Flegenheimer ("Flegenheimer") hereinafter referred to as "Claimant": W. Alexander Melbardis, Esq., Law Offices of W. Alexander Melbardis, E. Setauket, NY 11733.

Respondent Prudential Equity Group f/k/a Prudential Securities, Inc. ("Prudential") hereinafter referred to as "Respondent": Mark Weldon, Esq., Anderson Kill & Olick, P.C., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: January 20, 2005.

Amended Statement of Claim filed on or about: April 21, 2005.

Claimant signed the Uniform Submission Agreement: April 22, 2005.

Statement of Answer filed by Respondent on or about: May 13, 2005.

Respondent signed the Uniform Submission Agreement: March 8, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: negligent supervision; breach of fiduciary duty; violation of Rule 405 of the New York Stock Exchange; unsuitability, respondeat superior and negligence. The claim involved unspecified securities.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$191,235.00, punitive damages, attorneys' fees and costs.

Respondent requested the dismissal of the Statement of Claim, costs, and for such other and further relief as the Panel may deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable for and shall pay to Claimant compensatory damages in the amount of \$30,000.00 plus interest at the rate of 5% per annum from January 14, 2005 until March 22, 2006.
2. 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	= \$ 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 f/k/a Prudential Securities, Inc. is a party.

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

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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Decisions on discovery-related motions on the papers with (1) arbitrator @ \$200.00	= \$ 400.00
Claimant submitted (one) discovery-related motion	
Respondent submitted (one) discovery-related motion	

One (1) Pre-hearing session with Panel @ \$1,125.00	= \$1,125.00
Pre-hearing conferences: July 25, 2005 1 session	

Four (4) Hearing sessions @ \$1,125.00	= \$4,500.00
Hearing Dates: March 21, 2006 2 sessions	

March 22, 2006 2 sessions

Total Forum Fees = \$6,025.00

1. The Panel has assessed \$3,012.50 of the forum fees to Claimant.
2. The Panel has assessed \$3,012.50 of the forum fees to Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$3,012.50</u>
Total Fees	= \$3,312.50
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$1,887.50

2. Respondent is solely liable for:

Member Fees	= \$5,200.00
<u>Forum Fees</u>	<u>= \$3,012.50</u>
Total Fees	= \$8,212.50
<u>Less payments</u>	<u>= \$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$3,012.50

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

ARBITRATION PANEL

Paul E. Dahlman, Esq.	-	Public Arbitrator, Presiding Chairperson
Maria Brigitta Kollenhoff-Bruning	-	Public Arbitrator
Anthony J. Raimondi, Esq.	-	Non-Public Arbitrator

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 which is my award.

Concurring Arbitrators' Signatures



Paul E. Dahlman, Esq.
Public Arbitrator, Presiding Chairperson

03/23/2006

Signature Date

Maria Brigitta Kollenhoff-Bruning
Public Arbitrator

Signature Date

Anthony J. Raimondi, Esq.
Non-Public Arbitrator

Signature Date

March 28, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Paul E. Dahlman, Esq.	-	Public Arbitrator, Presiding Chairperson
Maria Brigitta Kollenhoff-Bruning	-	Public Arbitrator
Anthony J. Raimondi, Esq.	-	Non-Public Arbitrator

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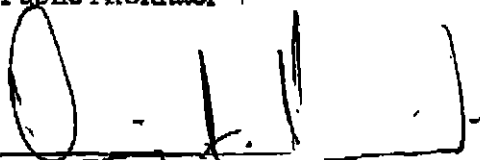
Concurring Arbitrators' Signatures

Paul E. Dahlman, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Maria Brigitta Kollenhoff-Bruning
Public Arbitrator

Signature Date



Anthony J. Raimondi, Esq.
Non-Public Arbitrator

3-23-06

Signature Date

March 28, 2006

Date of Service (For NASD Dispute Resolution use only)

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Anthony J. Raimondi, Esq.	-	Non-Public Arbitrator

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Paul E. Dahlman, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Maria Brigitta Kollenhoff-Bruning
Public Arbitrator

03/24/06

Signature Date

Anthony J. Raimondi, Esq.
Non-Public Arbitrator

Signature Date

March 28, 2006

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