

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Case Number: 05-01780

Stephen Mechanic, individually and as Trustee of the
Stephen Mechanic Children's Educational Trust
Elizabeth Mechanic
Stephen Mechanic as joint tenant with Jordan Mechanic
Stephen Mechanic as joint tenant with Jonah Mechanic
Stephen Mechanic as joint tenant with Joshua Mechanic

Names of the Respondents

Hearing Site: Boca Raton, Florida

Wachovia Securities, Inc. f/k/a
Prudential Securities, Inc.
Prudential Equity Group, LLC

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Stephen Mechanic, individually and as Trustee of the Stephen Mechanic Children's Educational Trust, Elizabeth Mechanic, Stephen Mechanic as joint tenant with Jordan Mechanic, Stephen Mechanic as joint tenant with Jonah Mechanic and Stephen Mechanic as joint tenant with Joshua Mechanic, hereinafter collectively referred to as "Claimants": Stephen Mechanic, Esq., Miami, Florida.

For Respondent Wachovia Securities, Inc. f/k/a Prudential Securities, Inc. ("Wachovia"): Kevin B. Hurley, Esq., Wachovia Securities, LLC, Richmond, Virginia.

For Respondent Prudential Equity Group, LLC ("PEG"): Robert A. Boraks, Esq., Garvey Schubert Barer, Washington, D.C.

CASE INFORMATION

Statement of Claim filed on or about: April 5, 2005.

Stephen Mechanic, individually and as Trustee of the Stephen Mechanic Children's Educational Trust, signed the Uniform Submission Agreement: March 31, 2005.

Elizabeth Mechanic, Jordan Mechanic, Jonah Mechanic and Joshua Mechanic each signed the Uniform Submission Agreement: April 6, 2005.

Statement of Answer filed by Respondent PEG on or about: August 18, 2005.

Respondent PEG did not file an executed Uniform Submission Agreement.

Motion to Dismiss filed by Respondent PEG on or about: February 6, 2006.

Response to Motion to Dismiss filed by Claimants on or about: March 13, 2006.

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

CASE SUMMARY

Claimants asserted the following causes of action: 1) breach of contract; 2) unsuitability; 3) misrepresentation; 4) negligence; and 5) failure to supervise. The causes of action relate to Claimants' purchases of Qualcomm stock.

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

RELIEF REQUESTED

Claimants requested: 1) compensatory damages in the amount of \$482,380.14; 2) interest; 3) costs; and 4) attorneys' fees.

Respondent PEG requested that the undersigned arbitrators (the "Panel"): 1) dismiss all claims against PEG with prejudice; 2) deny Claimants any recovery, and enter an award in PEG's favor, including specifically finding that PEG is entitled to recover its reasonable attorneys' fees and costs associated with defense against Claimants' claims; 3) assess all forum fees against Claimants; and 4) grant PEG such other and further relief as is just and proper in the circumstances.

OTHER ISSUES CONSIDERED AND DECIDED

On or about June 24, 2005, Claimants dismissed their claims against Respondent Wachovia.

On or about September 26, 2005, the Panel entered an Order confirming Claimants' dismissal of Respondent Wachovia by agreement of the parties.

On or about March 27, 2006, the Panel entered an Order granting Respondent PEG's Motion to Dismiss the Statement of Claim with prejudice.

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, Respondent PEG's Motion to Dismiss, Claimants' Response in Opposition thereto and arguments of counsel at the pre-hearing conference held on March 24, 2006, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

The Panel finds that the Statement of Claim fails to state a theory of recovery upon which damages may be granted. Therefore, the Statement of Claim is dismissed with prejudice.

Any and all claims for relief not specifically addressed herein, including the parties' respective requests for attorneys' fees, 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 PEG is a party and a member firm.

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:

There were no adjournment fees assessed during these proceedings.

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:

There were no three-day cancellation fees assessed during these proceedings.

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.

There were no injunctive relief fees assessed during these proceedings.

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 per session	= \$ 450.00
Pre-hearing conference: December 6, 2005 1 session	

Two (2) Pre-hearing sessions with the Panel @ \$1,125.00 per session	= \$ 2,250.00
Pre-hearing conferences: September 26, 2005 1 session	
March 24, 2006 1 session	
<hr/> Total Forum Fees	<hr/> = \$ 2,700.00

The Panel has assessed forum fees in the amount of \$1,350.00 to Claimants, jointly and severally.

The Panel has assessed forum fees in the amount of \$1,350.00 to Respondent PEG.

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 are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs assessed during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$ 1,350.00</u>
Total Fees	= \$ 1,650.00
<u>Less payments</u>	<u>= \$ 1,500.00</u>
Balance Due NASD Dispute Resolution	= \$ 150.00

Respondent PEG is solely liable for:

Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	<u>= \$ 1,350.00</u>
Total Fees	= \$ 6,550.00
<u>Less payments</u>	<u>= \$ 5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 1,350.00

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

ARBITRATION PANEL

Thomas A. Van Tiem, Sr.	-	Public Arbitrator, Presiding Chairperson
Barry B. Globerman, Esq.	-	Public Arbitrator
Lawrence Z. Rosenberg, CFP	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Thomas A. Van Tiem, Sr.
Public Arbitrator, Presiding Chairperson

4/3/06
Signature Date

_____/s/_____
Barry B. Globerman, Esq.
Public Arbitrator

4/3/06
Signature Date

_____/s/_____
Lawrence Z. Rosenberg, CFP
Non-Public Arbitrator

4/3/06
Signature Date

4/4/06
Date of Service (For NASD Dispute Resolution office use only)

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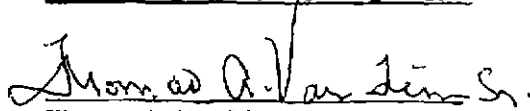
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Barry B. Globerman, Esq.	-	Public Arbitrator
Lawrence Z. Rosenberg, CFP	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Thomas A. Van Tien, Sr.
Public Arbitrator, Presiding Chairperson

04-03-06
Signature Date

FROM

(MCN) APR 8 2006

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Barry B. Globerman, Esq.
Public Arbitrator

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Signature Date

Lawrence Z. Rosenberg, CFP
Non-Public Arbitrator

Signature Date

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

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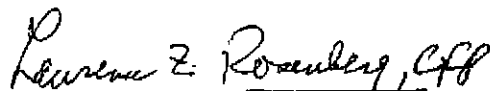
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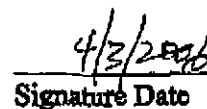
Barry B. Globerman, Esq.

Public Arbitrator

Signature Date

Lawrence Z. Rosenberg, CFP

Non-Public Arbitrator


4/3/2006

Signature Date

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