

**Stipulated Award  
NASD Dispute Resolution**

---

In the Matter of the Arbitration Between:

Pythia Finance Corp. (Claimant) vs. Prudential Equity Group, LLC f/k/a Prudential Securities and Anthony Sica (Respondents)

Case Number: 05-03469

Hearing Site: New York, New York

---

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

**REPRESENTATION OF PARTIES**

Claimant Pythia Finance Corp. hereinafter referred to as "Claimant": John T. McGuire, Esq., John T. McGuire Attorney At Law, New York, NY.

Respondents Prudential Equity Group, LLC f/k/a Prudential Securities ("Prudential") and Anthony Sica ("Sica") hereinafter collectively referred to as "Respondents": David A. Picon, Esq. and Celia L. Passaro, Esq., Proskauer Rose LLP, New York, NY..

**CASE INFORMATION**

Statement of Claim filed on or about: July 6, 2005.

Claimant signed the Uniform Submission Agreement: July 6, 2005.

Statement of Answer filed by Respondents on or about: October 6, 2005.

Prudential signed the Uniform Submission Agreement: October 5, 2005.

Sica signed the Uniform Submission Agreement: October 4, 2005.

**CASE SUMMARY**

Claimant asserted the following causes of action: common law fraud, securities fraud, churning, suitability, failure to supervise, and violations of NASD and NYSE Rules. The causes of action relate to unspecified common stock.

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

**RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$450,000.00 plus interest, punitive damages in the amount of \$1,350,000.00, costs, and attorneys' fees.

Respondents requested dismissal of the Statement of Claim in its entirety,

expungement of this matter from Respondent Sica's CRD records, costs, expenses, and such other and further relief as is just and proper.

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

By letter dated May 25, 2006 Claimant notified NASD Dispute Resolution that Claimant voluntarily and with prejudice dismissed all claims against Respondent Sica.

On or about July 28, 2006 Claimant informed NASD Dispute Resolution that Claimant and Respondent Prudential settled this matter.

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**

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Claimant voluntarily dismisses all claims against Respondent Sica.
2. Claimant and Respondent Prudential have entered into a confidential settlement agreement.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Sica's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Sica 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 factually impossible or clearly erroneous.

4. 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 = \$ 500.00

#### **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, LLC f/k/a Prudential Securities is a party.

Member surcharge = \$ 2,800.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 5,000.00

#### **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:

Three (3) Pre-hearing sessions with Panel @ \$1,200.00 = \$ 3,600.00

Pre-hearing conferences: January 9, 2006 1 session

April 7, 2006 1 session

May 3, 2006 1 session

---

Total Forum Fees = \$ 3,600.00

1. Pursuant to Rule 10306 the forum fees are assessed as follows:
  - a. Claimant is assessed \$1,200.00 of the forum fees.
  - b. Respondent Sica is assessed \$1,200.00 of the forum fees.
  - c. Respondent Prudential is assessed \$1,200.00 of the forum fees.

### **Fee Summary**

1. Claimant is solely liable for:

Initial Filing Fee = \$ 500.00

Forum Fees = \$ 1,200.00

Total Fees = \$ 1,700.00

Less payments = \$ 1,800.00

Refund Due Claimant = \$ 100.00

2. Respondent Prudential is solely liable for:

Member Fees	= \$ 8,550.00
Forum Fees	= \$ 1,200.00
Total Fees	= \$ 9,750.00
Less Payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 1,200.00

3. Respondent Sica is solely liable for:

Forum Fees	= \$ 1,200.00
Total Fees	= \$ 1,200.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,200.00

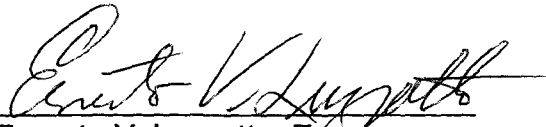
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

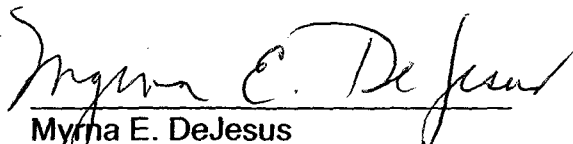
Ernesto V. Luzzatto, Esq.	-	Public Arbitrator, Presiding Chairperson
Myrna E. DeJesus	-	Public Arbitrator
Edward G. Sippel	-	Non-Public Arbitrator

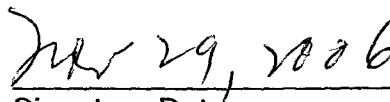
**Concurring Arbitrators' Signatures**

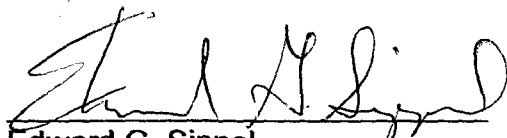
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

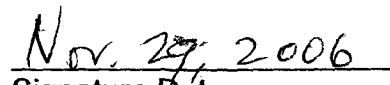
  
Ernesto V. Luzzatto, Esq.  
Public Arbitrator, Presiding Chairperson

  
Signature Date

  
Myrna E. DeJesus  
Public Arbitrator

  
Signature Date

  
Edward G. Sippel  
Non-Public Arbitrator

  
Signature Date

December 12, 2006

Date of Service (For NASD Dispute Resolution use only)