

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of Claimants

John Sinacola, Jackie Revoldt Sinacola,
and Mary Sinacola

vs.

Case Number: 05-03517
Hearing Site: Troy, Michigan

Names of Respondents

Prudential Securities, Inc., n/k/a
Prudential Equity Group LLC,
Kenneth Bolda, and
Wachovia Securities, LLC

NATURE OF THE DISPUTE

Customers v. Members and Associated Person

REPRESENTATION OF PARTIES

John Sinacola, Jackie Revoldt Sinacola, and Mary Sinacola ("Claimants") were represented by Anthony V. Trogan, Esq., Law Offices of Anthony V. Trogan, P.L.L.C., West Bloomfield, Michigan.

Prudential Securities, Inc., n/k/a Prudential Equity Group LLC ("Prudential") and Kenneth Bolda ("Bolda"), hereinafter collectively referred to as "Respondents," were represented by Christopher Lewis, Esq., Duane Morris LLP, New York, New York.

Wachovia Securities, LLC ("Wachovia") was voluntarily withdrawn as a party to this matter.

CASE INFORMATION

The Statement of Claim was filed on or about July 11, 2005. The Amended Statement of Claim was filed on or about August 9, 2005. The Submission Agreement of Claimants was signed without date.

The Statement of Answer and Motion to Dismiss was filed jointly by Respondents on or about November 4, 2005. The Submission Agreement of Prudential was signed on or about August 17, 2005. Kenneth Bolda did not file a Submission Agreement.

Claimants filed a Response to Respondents' Motion to Dismiss on or about November 9, 2005. Respondents filed a Reply to Claimants' Response to Respondents' Motion to Dismiss on or about January 18, 2006. Claimants filed a Second Response to the Motion to Dismiss on or about January 26, 2006.

CASE SUMMARY

Claimants asserted the following legal causes of action: breach of contract; common law fraud; promissory estoppel; negligence; malpractice; breach of fiduciary duty; and breach of Michigan securities law. The causes of action related to the recommendation and purchase of various bonds including Great West Life, Provident Capital Trust, and Conseco Financing Trust VII. Claimants asserted that Respondents did not disclose that all of these investments were classified in the "junk bond" category and that Claimants would not have purchased the bonds had Respondents disclosed the risks.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the allegations in the Statement of Claim are barred by the applicable statutes of limitations; Respondents' actions or inactions are not the proximate cause of Claimants' alleged damages, if any; and Claimants, by their own conduct and the circumstances of this case, are estopped from asserting the claims made.

RELIEF REQUESTED

In their pleadings, Claimants requested an award in the amount of:

Actual/Compensatory Damages	\$ 98,000.00
Exemplary/Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

At the hearing, John Sinacola presented evidence of damages of approximately \$70,751.00, Jackie Revoldt Sinacola presented evidence of damages of approximately \$73,669.00, and Mary Sinacola presented evidence of damages of approximately \$51,002.00.

Respondents requested that the claims asserted against them be dismissed in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

Claimants' Amended Statement of Claim eliminated Wachovia Securities, LLC as a Respondent and added Prudential Securities, Inc., n/k/a Prudential Equity Group LLC as a Respondent.

Respondent, Kenneth Bolda, did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant

to the Code and, having answered the claim, and appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

In its Order entered on or about March 1, 2006, the Panel held its decision on Respondents' Motion to Dismiss in abeyance until the hearing on the merits. The Panel denies Respondents' Motion to Dismiss herein.

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

- 1.) The Panel finds that Claimant, John Sinacola, has incurred damages in the amount of \$30,000.00;
 - a) Respondent, Prudential Securities, Inc., n/k/a Prudential Equity Group LLC, is solely liable for and shall pay to Claimant, John Sinacola, the sum of \$10,000.00 in compensatory damages; and
 - b) Respondent, Kenneth Bolda, is solely liable for and shall pay to Claimant, John Sinacola, the sum of \$20,000.00 in compensatory damages;
- 2.) The Panel finds that Claimant, Jackie Revoldt Sinacola, has incurred damages in the amount of \$60,000.00;
 - a) Respondent, Prudential Securities, Inc., n/k/a Prudential Equity Group LLC, is solely liable for and shall pay to Claimant, Jackie Revoldt Sinacola, the sum of \$20,000.00 in compensatory damages; and
 - b) Respondent, Kenneth Bolda, is solely liable for and shall pay to Claimant, Jackie Revoldt Sinacola, the sum of \$40,000.00 in compensatory damages;
- 3.) The Panel finds that Claimant, Mary Sinacola, has incurred damages in the amount of \$40,000.00;
 - a) Respondent, Prudential Securities, Inc., n/k/a Prudential Equity Group LLC, is solely liable for and shall pay to Claimant, Mary Sinacola, the sum of \$13,333.33 in compensatory damages; and

- b) Respondent, Kenneth Bolda, is solely liable for and shall pay to Claimant, Mary Sinacola, the sum of \$26,666.67 in compensatory damages;
- 4.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 5.) Any relief not specifically enumerated, including punitive/exemplary damages and attorneys' fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial Claim filing fee = \$ 225.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is Prudential Securities, Inc., n/k/a Prudential Equity Group LLC.

Member surcharge = \$ 1,100.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 1,700.00

Forum Fees and Assessments

The Panel has assessed forum fees for each hearing 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:

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: September 6, 2006 1 session

One (1) Pre-hearing session with Panel x \$750.00 = \$ 750.00
Pre-hearing conference: January 25, 2006 1 session

Six (6) Hearing sessions x \$750.00		= \$ 4,500.00
Hearing Dates:	September 12, 2006	2 sessions
	September 13, 2006	2 sessions
	September 14, 2006	2 sessions
Total Forum Fees		= \$ 5,700.00

The Panel has assessed \$2,850.00 of the forum fees jointly and severally to John Sinacola, Jackie Revoldt Sinacola, and Mary Sinacola.

The Panel has assessed \$2,850.00 of the forum fees jointly and severally to Prudential Securities, Inc., n/k/a Prudential Equity Group LLC, and Kenneth Bolda.

FEE SUMMARY

Claimants, John Sinacola, Jackie Revoldt Sinacola, and Mary Sinacola, are jointly and severally liable for:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 2,850.00
Total Fees	= \$ 3,075.00
Less payments	= \$ 975.00
Balance Due NASD Dispute Resolution	= \$ 2,100.00

Respondent, Prudential Securities, Inc., n/k/a Prudential Equity Group LLC, is liable for:

Member Fees	= \$ 3,550.00
Total Fees	= \$ 3,550.00
Less payments	= \$ 3,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Prudential Securities, Inc., n/k/a Prudential Equity Group LLC, and Kenneth Bolda, are jointly and severally liable for:

Forum Fees	= \$ 2,850.00
Total Fees	= \$ 2,850.00
Less payments	= \$ 1,500.00
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

Robert L. Nichols, Sr. - Public Arbitrator, Presiding Chair
Brace K. Case, Esq. - Public Arbitrator
Stuart M. Egrin - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ Robert L. Nichols, Sr.
Robert L. Nichols, Sr.
Public Arbitrator, Presiding Chair

09/18/06
Signature Date

/s/ Brace K. Case, Esq.
Brace K. Case, Esq.
Public Arbitrator

09/18/06
Signature Date

/s/ Stuart M. Egrin
Stuart M. Egrin
Non-Public Arbitrator

09/18/06
Signature Date

09/18/06
Date of Service (For NASD office use only)

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9/18/06
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Stuart M. Egrin
Non-Public Arbitrator

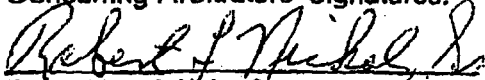
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Concurring Arbitrators' Signatures:



Robert L. Nichols, Sr.
Public Arbitrator, Presiding Chair

Sept. 18, 2006
Signature Date

Brace K. Case, Esq.
Public Arbitrator

Signature Date

Stuart M. Egrin
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)