

Stipulated Award

NASD Dispute Resolution

In the Matter of the Arbitration Between:

Deanna D'Amato Hohmann, Individually and as Executrix of the Estate of Rose Laccitiello (Claimants) vs. Prudential Equity Group, Inc. f/k/a Prudential Securities, Inc. and Michael D. Lereah (Respondents)

Case Number: 05-05198

Hearing Site: Newark, New Jersey

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

REPRESENTATION OF PARTIES

Claimants Deanna D'Amato Hohmann, Individually ("Hohmann") and Deanna D'Amato Hohmann as Executrix of the Estate of Rose Laccitiello ("Laccitiello Estate") hereinafter collectively referred to as "Claimants": George L. Mahr III, Esq., Mahr & Mahr, L.L.C., Madison, NJ.

Respondents Prudential Equity Group, Inc. f/k/a Prudential Securities, Inc. ("Prudential") and Michael D. Lereah ("Lereah") hereinafter collectively referred to as "Respondents": Brian F. McDonough, Esq., Drinker Biddle & Reath LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: October 4, 2005.
Hohmann signed the Uniform Submission Agreement: September 30, 2005.
Laccitiello Estate signed the Uniform Submission Agreement: September 30, 2005.

Statement of Answer filed by Respondents on or about: January 5, 2006.
Prudential signed the Uniform Submission Agreement: January 18, 2006.
Lereah signed the Uniform Submission Agreement: January 19, 2006.

CASE SUMMARY

Claimants asserted the following causes of action: suitability, excessive trading, misrepresentations, failure to disclose, fraudulent inducement, churning, failure to supervise, breach of fiduciary duty, violation of Section 10(b) and Rule 10b-5 of the Securities and Exchange Act of 1934, negligence, and gross negligence. The causes of action relate to unspecified equities.

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$2,200,000.00 plus interest, punitive damages, forum fees, costs, attorneys' fees, expert fees, and such further relief as the Panel may deem just and equitable.

Respondent requested dismissal of the Statement of Claim in its entirety and expungement of this matter from Respondent Lereah's CRD records.

OTHER ISSUES CONSIDERED AND DECIDED

By letter dated August 30, 2006 Claimant notified NASD Dispute Resolution that the parties 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. The parties have entered into a confidential settlement agreement.
2. Claimants' claims are dismissed with prejudice.
3. The Panel finds that there were no unsuitable recommendations and transactions, misrepresentations or omissions as to material facts, undue influence, tortious interference with prospect of inheritance, nor negligence.
4. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Lereah's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Lereah 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 false.

5. 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, Inc. f/k/a Prudential Securities, Inc. 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 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 @ \$450.00	= \$	450.00
Pre-hearing conference: August 4, 2006	1 session	

One (1) Pre-hearing session with the Panel @ \$1,200.00	= \$	1,200.00
Pre-hearing conference: March 28, 2006	1 session	

One (1) Hearing session @ \$1,200.00	= \$	1,200.00
Hearing Date: September 13, 2006	1 session	

Total Forum Fees	= \$	2,850.00
------------------	------	----------

1. The Panel has assessed \$2,850.00 of the forum fees to Respondent Lereah.

Fee Summary

1. Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$	500.00
<u>Total Fees</u>	= \$	500.00
<u>Less payments</u>	= \$	1,700.00
<u>Refund Due Claimants</u>	= \$	1,200.00

2. Respondent Prudential is solely liable for:

<u>Member Fees</u>	= \$	8,550.00
--------------------	------	----------

Total Fees	= \$	8,550.00
<u>Less payments</u>	= \$	<u>8,550.00</u>
Balance Due NASD Dispute Resolution	= \$	0.00

3. Respondent Lereah is solely liable for:

Forum Fees	= \$	2,850.00
Total Fees	= \$	2,850.00
<u>Less payments</u>	= \$	<u>0.00</u>
Balance Due NASD Dispute Resolution	= \$	2,850.00

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

ARBITRATION PANEL

Barbara Weisman, Esq.	-	Public Arbitrator, Presiding Chairperson
Joseph F. Kelley	-	Public Arbitrator
Joseph J. Leegan	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Barbara Weisman, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Joseph F. Kelley
Public Arbitrator

Signature Date

Joseph J. Leegan
Non-Public Arbitrator

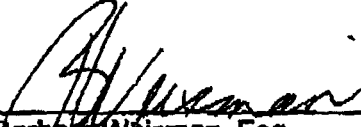
Signature Date

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Barbara Weisman, Esq.	-	Public Arbitrator, Presiding Chairperson
Joseph F. Kelley	-	Public Arbitrator
Joseph J. Leegan	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Barbara Weisman, Esq.
Public Arbitrator, Presiding Chairperson

11/28/06

Signature Date

Joseph F. Kelley
Public Arbitrator

Signature Date

November 29, 2006

Joseph J. Leegan
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)


ARBITRATION PANEL

Barbara Weisman, Esq.	-	Public Arbitrator, Presiding Chairperson
Joseph F. Kelley	-	Public Arbitrator
Joseph J. Leegan	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Barbara Weisman, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Joseph F. Kelley
Public Arbitrator

11/28/06

Signature Date

Joseph J. Leegan
Non-Public Arbitrator

Signature Date

November 29, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Barbara Weisman, Esq. - Public Arbitrator, Presiding Chairperson
Joseph F. Kelley - Public Arbitrator
Joseph J. Leegan - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Barbara Weisman, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Joseph F. Kelley
Public Arbitrator

Signature Date



Joseph J. Leegan
Non-Public Arbitrator

12/4/2006

Signature Date

November 29, 2006

Date of Service (For NASD Dispute Resolution use only)