

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 05-05346

Cheryl Frank

Names of the Respondents

Hearing Site: Philadelphia, Pennsylvania

Wachovia Securities, LLC
Prudential Equity Group, LLC

Nature of the Dispute: Customer vs. Members.

REPRESENTATION OF PARTIES

Claimant, Cheryl Frank, hereinafter referred to as "Claimant", was represented by John J. McGovern, Jr., Esq., Attorney at Law, Scranton, Pennsylvania.

Respondent, Wachovia Securities, LLC ("Wachovia"), was represented by Demian J. Betz, Esq., Wachovia, Securities, LLC, Richmond, Virginia.

Respondent, Prudential Equity Group, LLC ("Prudential"), was represented by John J. Murphy, III, Esq., Stradley Ronon Stevens & Young, LLP, Philadelphia, Pennsylvania.

CASE INFORMATION

Statement of Claim filed on October 13, 2005.

Claimant signed the Uniform Submission Agreement on October 10, 2005.

Statement of Answer filed by Respondent Prudential on January 4, 2006.

A representative of Respondent Prudential executed the Uniform Submission Agreement on November 9, 2005.

Statement of Answer filed by Respondent Wachovia on January 5, 2006.

A representative of Respondent Wachovia executed the Uniform Submission Agreement on January 5, 2006.

Respondent Prudential's Motion to Dismiss was filed on May 8, 2006.

Respondent Wachovia's Motion to Dismiss was filed on May 12, 2006.

Claimant's Response to Respondents' Motions to Dismiss was filed on June 16, 2006.

Respondent Prudential's Reply in Opposition to Claimant's Response to Respondents' Motions to Dismiss was filed on June 23, 2006.

Respondent Wachovia's Reply in Opposition to Claimant's Response to Respondents' Motions to Dismiss was filed on June 23, 2006.

CASE SUMMARY

Claimant asserted the following causes of action, among others: *respondeat superior*, aiding and abetting, negligence, breach of contract, fraud, conversion/unauthorized withdrawal, breach of fiduciary duty, failure to supervise, violation of Pennsylvania Securities Act, and violation of Pennsylvania Unfair Trade Practices and Consumer Protection Law. The causes of action relate to an alleged unauthorized withdrawal of money from Claimant's account.

Unless specifically admitted in its Answer, Respondent Prudential denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief may be granted, Claimant release all claims against Respondent Prudential on September 30, 2004, failure to mitigate damages, statute of limitations, and unclean hands.

Unless specifically admitted in its Answer, Respondent Wachovia denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Respondent carried out all duties owed to Claimant, Respondent acted in good faith, and failure to state a claim upon which relief may be granted.

RELIEF REQUESTED

Claimant in her Statement of Claim requested:

Compensatory Damages	\$80,000.00
Punitive Damages	amount unspecified
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified
Lost Opportunity Damages	amount unspecified

Respondent Prudential in its Statement of Answer requested that Claimant's claims be dismissed.

Respondent Wachovia in its Statement of Answer requested that Claimant's claims be denied, and that Respondent's costs and attorney's fees be awarded.

OTHER ISSUES CONSIDERED AND DECIDED

By order dated July 24, 2006, the Panel granted Respondent Prudential's Motion to Dismiss and denied Respondent Wachovia's Motion to Dismiss.

Respondent Wachovia moved for a directed verdict in its favor at the end of Claimant's case-in-chief. The Panel denied the motion.

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

1. Respondent Wachovia is liable to and shall pay to Claimant compensatory damages in the amount of \$30,000.00;
2. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and
3. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

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	= waived
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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 firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, Respondents Wachovia and Prudential are parties.

Prudential's Member Fees:

Member surcharge	= \$1,100.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$1,700.00</u>
Total Member Fees	= \$3,550.00

Wachovia's Member Fees:

Member surcharge	= \$1,100.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$1,700.00</u>
Total Member Fees	= \$3,550.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the 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 Panel @ \$750.00 = \$ 750.00
Pre-hearing conference: May 19, 2006 1 session

Two (2) Hearing sessions @ \$750.00 = \$1,500.00
Hearing Dates: August 29, 2006 2 sessions

Total Forum Fees = \$2,250.00

1. The Panel has waived \$1,125.00 of the forum fees assessed to Claimant.
2. The Panel has assessed \$1,125.00 of the forum fees to Respondent Wachovia.

FEE SUMMARY

1. Respondent Prudential is assessed and shall pay the following fees:

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

2. Respondent Wachovia is assessed and shall pay the following fees:

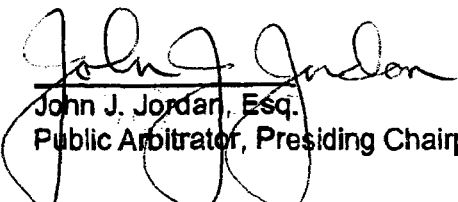
<u>Member Fees</u>	= \$3,550.00
<u>Forum Fees</u>	= \$1,125.00
<u>Total Fees</u>	= \$4,675.00
<u>Less payments</u>	= \$3,550.00
Balance Due NASD Dispute Resolution	= \$1,125.00

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

ARBITRATION PANEL

John J. Jordan, Esq.	-	Public Arbitrator, Presiding Chairperson
Ethan L. Lewis, Ph.D.	-	Public Arbitrator, Panelist
Adam Bronstein, Esq.	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures


John J. Jordan, Esq.
Public Arbitrator, Presiding Chairperson

Sept 5, 2006
Signature Date

Ethan L. Lewis, Ph.D.
Public Arbitrator, Panelist

Signature Date

Adam Bronstein, Esq.
Non-Public Arbitrator, Panelist

Signature Date

September 11, 2006
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

John J. Jordan, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Ethan L. Lewis
Ethan L. Lewis, Ph.D.
Public Arbitrator, Panelist

9/8/2006
Signature Date

Adam Bronstein, Esq.
Non-Public Arbitrator, Panelist

Signature Date

September 11, 2006
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John J. Jordan, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Ethan L. Lewis, Ph.D.
Public Arbitrator, Panelist

Signature Date

Ad BL
Adam Bronstein, Esq.
Non-Public Arbitrator, Panelist

9/11/06
Signature Date

September 11, 2006
Date of Service (For NASD Dispute Resolution office use only)