

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Thomas H. Stull

v.

NASD Arbitration
No. 93-03022

Name of Respondent(s)

Prudential Securities, Inc.

REPRESENTATION

For Claimant: L.B. Chip Edleson, Esq., Gray, Cary, Ware & Freidenrich
San Diego, California

For Respondent: Peter Brown Dolan, Esq., Morgan Lewis & Bockius
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: August 2, 1993

Statement of Answer filed: November 19, 1993

Claimant's Submission Agreement signed: August 18, 1993

Respondent's Submission Agreement signed: November 23, 1993

HEARING INFORMATION

The hearings were held in Los Angeles, California, as follows:

March 21, 1995 - 2 sessions
March 22, 1995 - 2 sessions
April 17, 1995 - 2 sessions

CASE SUMMARY

Claimant alleged fraud, breach of express contract, breach of implied contract, and breach of the duty of good faith and fair dealing arising out of his termination of employment by Respondent upon the closing of Respondent's Bakersfield office.

Respondent denied the allegations of the claim, and asserted that Claimant had no valid claims against it, that the contract claims were barred by applicable statutes of limitations, that Claimant had received all compensation owed him, and that the closing of the Bakersfield office was expressly communicated to Claimant, and was reasonably to be expected by the office's poor performance.

RELIEF REQUESTED

Claimant requested damages in excess of \$229,666.67, plus exemplary and punitive damages, and costs.

Respondent requested dismissal of all claims.

OTHER ISSUES CONSIDERED AND DECIDED

After the first two hearing days, but prior to the resumption of the hearing in April, the original panel Chair recused himself from the panel because of conflicts which had just arisen. The parties agreed to complete the hearing with two arbitrators.

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. In either case, the parties have agreed to receive conformed copies of the Award while the original remains on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable for and shall pay to Claimant the sum of \$176,531.86 in satisfaction of all claims.
2. The claims for punitive and exemplary damages are dismissed.
3. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 44(c) of the Code of Arbitration Procedure, the NASD shall retain Claimant's non-refundable \$500 filing fee, but shall refund the \$1000 hearing session deposit.

Respondent is to reimburse Claimant \$500 for the non-refundable filing fee retained by the NASD.

Respondent is assessed all forum fees:

6 sessions @ \$750/session = \$ 4,500.00

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATORS

Name Public / Industry

Concurring Arbitrators' Signatures

John P. McShane

Irving Porush

John P. McShane

Irving Porush

Industry Arbitrator
Public Arbitrator

Date Served: 5-11-95

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