

**NASD REGULATION, INC.
OFFICE OF DISPUTE RESOLUTION
ARBITRATION AWARD**

NASD REGULATION, INC. - OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

Prudential Securities, Inc.

NASD Regulation, Inc.
Office of Dispute Resolution
Arbitration No. 96-01278

Name of Respondent

Thomas O. Rockefeller

REPRESENTATION

For Claimant:

Stephen P. Gomberg, Esq.
Gomberg Kane & Fischer, Ltd.
Chicago, Illinois

For Respondent:

Irving M. Einhorn, Esq.
Los Angeles, California

CASE INFORMATION

Statement of Claim filed:	March 22, 1996
Claimant's Reply to Respondent's Counterclaim filed:	August 5, 1996
Claimant's Submission Agreement signed:	March 20, 1996
Statement of Answer and Counterclaim filed by Respondent:	June 6, 1997
Respondent's Submission Agreement signed:	April 30, 1996

HEARING INFORMATION

Hearing Dates / Sessions:

January 21, 1997 (2 sessions)

March 4, 1997 (2 sessions)

March 5, 1997 (2 sessions)

March 6, 1997 (2 sessions)

Hearing Location:

Los Angeles, California

CASE SUMMARY

Claimant Prudential Securities Incorporated ("Prudential") alleged that, because it terminated Respondent Thomas O. Rockefeller ("Rockefeller") "for cause" on January 15, 1996, Rockefeller owed to Prudential the unpaid portion of a promissory note dated July 25, 1994, which was executed in connection with an Employment Agreement. Prudential also claimed that Rockefeller should indemnify Prudential for the settlement that Prudential paid to Philip Hedene. Rockefeller denied Prudential's material allegations and claims and stated seven affirmative defenses.

Counter-Claimant Rockefeller alleged that Counter-Respondent Prudential made certain fraudulent representations which induced him to come to work for Prudential in the summer of 1994. Rockefeller also alleged that Prudential constructively defrauded him, breached the Employment Agreement, breached the implied covenant of good faith and fair dealing, violated California Labor Code §970, and requested rescission. Prudential denied Rockefeller's material allegations and claims.

RELIEF REQUESTED

Claimant Prudential sought \$333,646.19 on the promissory note, which includes accrued interest, through March 5, 1997, \$48,988.38 as indemnification for the Hedene settlement, the costs of collection on the note, and an award of attorneys' fees.

Counter-Claimant Rockefeller sought damages in excess of \$250,000, a doubling of the damage award pursuant to California Labor Code §972, pre- and post-judgment interest, punitive damages, costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in either 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 Regulation, Inc., Office of Dispute Resolution.

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. On its claim upon a promissory note, Claimant Prudential Securities Incorporated is awarded the amount of \$333,646.19 against Thomas O. Rockefeller.
2. On its indemnification claim, Claimant Prudential Securities Incorporated is awarded nothing.
3. On his First, Second, Fourth and Fifth Claims for fraud, constructive fraud, violation of California Labor Code §970, and rescission, Counter-Claimant Thomas O. Rockefeller is awarded nothing.
4. On his Third Claim for breach of contract and breach of implied covenant of good faith and fair dealing, the arbitration panel orders Counter-Respondent Prudential Securities Incorporated to prepare and file a corrected Form U-5 regarding Thomas O. Rockefeller which substitutes the following for the "brief summary" which appears on page 2, following paragraph 8.c: "The reason for termination of Mr. Rockefeller was the unsuitability of trading in the account of Philip Hedene." Except as stated in this paragraph, the Third Claim is denied.
5. Each party shall bear his/its own costs and attorneys' fees.

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FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

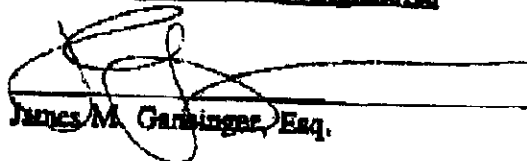
Eight (8) Hearing Sessions @ \$1,000.00/Session	= \$8,000.00
Total Forum Fees Assessed	= \$8,000.00
Claimant's One-Half Share	= \$4,000.00
Credit for Hearing Session Deposit	= \$750.00
Claimant's Balance Due	= \$3,250.00
Respondent's One-Half Share	= \$4,000.00
Credit for Hearing Session Deposit	= \$1,000.00
Respondent's Balance Due	= \$3,000.00

Fees are payable to the NASD Regulation, Inc.

ARBITRATORS

Name	Public / Industry
James M. Gansinger, Esq.	Public Arbitrator
Basil Lewis	Industry Arbitrator
Nancy E. Spero, Esq.	Public Arbitrator

Concurring Arbitrators' Signatures


James M. Gansinger, Esq.

Basil Lewis

Nancy E. Spero, Esq.

Date of Decision: _____

Date of Service: _____

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Total Forum Fees Assessed	= \$8,000.00
Claimant's One-Half Share	= \$4,000.00
Credit for Hearing Session Deposit	= \$750.00
Claimant's Balance Due	= \$3,250.00
Respondent's One-Half Share	= \$4,000.00
Credit for Hearing Session Deposit	= \$1,000.00
Respondent's Balance Due	= \$3,000.00

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Total Forum Fees Assessed	= \$8,000.00
 Claimant's One-Half Share	= \$4,000.00
<u>Credit for Hearing Session Deposit</u>	= \$750.00
Claimant's Balance Due	= \$3,250.00
 Respondent's One-Half Share	= \$4,000.00
<u>Credit for Hearing Session Deposit</u>	= \$1,000.00
Respondent's Balance Due	= \$3,000.00

Fees are payable to the NASD Regulation, Inc.

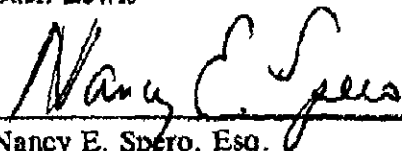
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