

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
ARBITRATION DEPARTMENT

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PRUDENTIAL SECURITIES INCORPORATED
and PAUL BRONZO,

Claimants,

NASD No. 96-5697

-against-

DOUGLAS BRKICH

STIPULATION OF
PARTIES AND AWARD
OF ARBITRATOR

Respondent.

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IT IS HEREBY STIPULATED AND AGREED between Claimants and
Respondent as follows:

1. Douglas Brkich ("Brkich"), a financial adviser to the "Bronzo Group" in claimant Prudential Securities Incorporated ("Prudential's") White Plains, New York branch office, without prior request, downloaded on December 4, 1996 the names, addresses, current portfolios and trading history of all Prudential clients of claimant Paul Bronzo ("Bronzo"), and represents that he returned the data and discs to Prudential on December 26, 1996.

2. Respondent represents to Claimants that he has returned to Prudential every item of computer software belonging to Prudential and every item of computer software, printouts, or other books, records or documents pertaining to Prudential's business activities or data pertaining to its clients, containing any confidential or proprietary information of Prudential's obtained by Respondent from Prudential's White Plains, New York branch office.

3. Respondent represents to Claimants that he has not used or disseminated to any third party any confidential or proprietary information of Prudential's referred to above and agrees not to use or disseminate any such information in the future.

4. Respondent represents to Claimants that he has not contacted any Prudential clients since December 4, 1996 including, but not limited to those serviced by Mr. Bronzo, and will not intentionally contact any clients serviced by Mr. Bronzo in the future.

5. It is agreed that, notwithstanding the foregoing provisions of this Stipulation, Respondent shall not be prevented or restrained from contacting and continuing to do business in the future with his existing clients, Dr. Han, Charles Hellman, Joe Randozzo and Norman Block, from having access to data pertaining to such clients, and from having access to information pertaining to Respondent's own account, even if such information also appears in

the data and software referred to in Paragraph 2 above.

6. Mr. Bronzo and Prudential White Plains branch manager Robert Donofrio ("Donofrio") represent and agree that they have not and will not in any way disparage Respondent or make or solicit any comments, statements, or the like to the media or to others that may be considered to be derogatory or detrimental to the good name or business reputation of Respondent. The parties acknowledge that the Form U-5 Uniform Termination of Securities Industry Registration to be filed by Prudential with respect to Respondent reflects "voluntary resignation." All inquiries by third parties regarding Mr. Brkich will be directed to Mr. Donofrio who will provide, consistent with company policy, the facts of Respondent's dates of employment, position, salary and that he voluntarily resigned.

(72) (except direct communications between Mr. Bronzo and his clients) P.B. [initials]

7. Prudential will pay Respondent the sum of twenty five thousand six hundred dollars (\$25,600.00), by depositing this amount into an interest bearing escrow account with Kittay, Gold & Krebsbach, P.C. (the "Firm"), attorneys for Claimants, which it will disburse to Respondent as follows: \$7,500.00 paid on or prior to January 9, 1997, with the balance of \$18,100.00 paid in eleven equal monthly installments on the first of each month commencing February 1, 1997, with accrued interest to be included with the final December 1, 1997 payment.

8. Respondent releases Claimants pursuant to the terms of paragraph 4 of the attached "Separation Agreement and General Release" (referred to in paragraph 10 of this Stipulation and Award), except that Respondent retains the right to commence indemnification or contribution claims against Claimants in connection with any claims asserted against Respondent by Prudential clients. Prudential releases Claimant from all claims asserted in this arbitration proceeding, and asserts that it is not currently aware of other claims except a pending claim by Proftech.

9. In the event of arbitration or litigation relating to the terms of this Stipulation and Award, the prevailing party shall be entitled to reimbursement of its reasonable costs, including attorneys' fees, in connection therewith.

10. The terms of the attached Separation Agreement and General Release (the "Agreement") executed by the parties to this Stipulation and Award are incorporated by reference, and the terms of this Stipulation and Award shall control to the extent of any inconsistency between the two documents. The parties agree to the following changes to the terms of the Agreement: paragraph 5 of the Agreement entitled "No Admission of Liability" is removed from the Agreement; the following sentence is added to paragraph 6 of the Agreement: "PSI agrees to pay Brkich his reasonable documented expenses incurred in connection with such cooperation and those expenses that he may be entitled to under PSI's by-laws"; and the words, "Donofrio and Bronzo each" is added to paragraph 10 of the Agreement after the word "Brkich."

11. Prudential will bear the filing fees and hearing costs it previously paid to the NASD, and the parties to this Stipulation and Award agree to bear their other respective costs to date in connection with this arbitration.

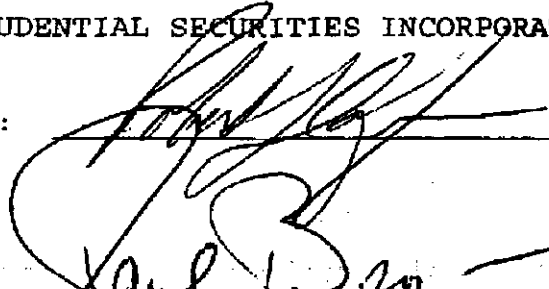
12. The parties to this Stipulation and Award request that arbitrator James O'Neill retain jurisdiction over any future disputes involving the underlying facts in this arbitration, and stipulate to the entry by Mr. O'Neill of an Arbitration Award incorporating the facts stipulated to herein.

13. The terms and representations of this Stipulation and Award shall be effective immediately regardless of the date that Mr. O'Neill executes this Arbitration Award.

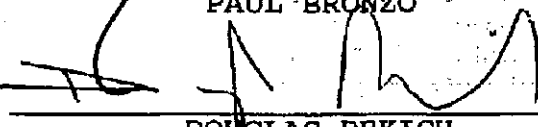
Dated: December 31, 1996

PRUDENTIAL SECURITIES INCORPORATED

By:



PAUL BRONZO



DOUGLAS BRKICH

Arbitration Award Dated: January 28, 1997

I, James O'Neill, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



JAMES O'NEILL, ARBITRATOR

SEPARATION AGREEMENT AND GENERAL RELEASE

Made and entered into this 13 day of Jan, 1997 by and between Douglas A. Brkich ("Brkich") and Prudential Securities Incorporated ("PSI").

In consideration of the mutual promises and covenants set forth herein, Brkich and PSI agree as follows:

1. **Termination of Employment.** Brkich's last day of employment at PSI shall be December 9, 1996.

2. **Payment by PSI.** PSI agrees to pay Brkich severance compensation in the amount of Twenty Five Thousand Six Hundred Dollars (\$25,600.00) less all applicable taxes, withholding and deductions.

3. **Medical Benefits.** PSI agrees to continue Brkich's health plan coverage through December 31, 1996. Thereafter, Brkich will be eligible to continue health plan coverage pursuant to the terms of the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). If Brkich elects to continue health plan coverage pursuant to COBRA, Brkich will be responsible for the payment of any COBRA premiums through the remainder of Brkich's eligibility.

4. **Release by Brkich.** In consideration for PSI's commitment to the various arrangements described in the preceding paragraphs, and in lieu of any other benefits, as a full and final settlement, Brkich hereby releases and discharges PSI, its parent, divisions, subsidiaries and affiliates and their current and former directors, officers, shareholders, agents and employees, and each of their predecessors, successors, and assigns (hereinafter "the Company"), from any and all claims and causes of action (except for the benefits specifically set forth in this Agreement) arising out of or related to Brkich's employment or separation from employment, including, but not limited to, any claims for salary, bonuses, severance pay, vacation pay or any benefits under the Employee Retirement Income Security Act (except for vested benefits which are not affected by this Agreement), sexual harassment, discrimination or retaliation based on race, color, national origin, ancestry, religion, marital status, sex, sexual orientation, citizenship status, whistleblowing, pregnancy, medical condition or disability (as defined by the Americans with Disabilities Act, or any other state or local law), age, or any other unlawful discrimination (under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act of 1990, Title VII of the Civil Rights Act, as amended, or any other federal, state, or local laws), breach of implied or express contract, breach of promise, misrepresentation, negligence, fraud, estoppel, defamation, infliction of emotional distress, violation of public policy or wrongful or constructive discharge, and for attorneys' fees, that Brkich, his heirs, executors, administrators, successors, and assigns now have, ever had or may hereafter have, whether known or unknown, suspected or unsuspected, up to and including the date of this Agreement.

Brkich further agrees, promises and covenants that neither he, nor any person, organization, or other entity acting on his behalf has or will file, charge, claim, sue, or cause or permit to be filed, charged or claimed, any action for damages or other relief (including injunctive, declaratory, monetary relief or other) against the Company involving

Brkich Separation Agreement
January 3, 1997
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any matter occurring in the past up to the date of this Separation Agreement And General Release (hereinafter "Agreement"), or involving or based upon any claims, demands, causes of action, obligations, damages or liabilities which are the subject of this Agreement (other than an action to enforce the terms herein).

5. **No Admission of Liability.** Neither this Agreement, nor anything contained herein shall be construed as an admission by the Company that it has in any respect violated or abridged any Federal, State, or local law or any right or obligation that it may owe or may have owed to Brkich. No final findings or final judgments have been made and Brkich does not purport and will not claim to be a prevailing party, to any degree or extent, nor will this Agreement or its terms be admissible in any proceeding other than in a proceeding for breach of the terms contained herein.

6. **Cooperation by Brkich.** Brkich agrees to cooperate with and make himself readily available to PSI or its General Counsel, as PSI may reasonably request, to assist it in any matter, including giving truthful testimony in any litigation or potential litigation, over which Brkich may have knowledge, information or expertise.

7. **Confidential and Proprietary Information of PSI.** Brkich understands and agrees that all books, records, documents and information, whether written or not, pertaining to PSI's business activities, are the confidential and proprietary property of PSI (hereinafter referred to as "trade secrets and confidential and proprietary information"). Brkich warrants, covenants, and agrees that he will not disclose any of PSI's trade secrets and confidential and proprietary information to any person or entity not employed, owned by, or otherwise affiliated with PSI. Brkich further agrees that he shall not be entitled to copies, in any form, of such trade secrets and confidential and proprietary information and that he shall immediately return to PSI any copies of such information currently in his possession.

8. **Nondisparagement.** Brkich represents that he has not and agrees that he will not in any way disparage PSI, its current and former officers, directors and employees, or the Company, or make or solicit any comments, statements, or the like to the media or to others that may be considered to be derogatory or detrimental to the good name or business reputation of any of the aforementioned parties or entities.

9. **Testimony Required by Law or Regulatory Authority.** Brkich further agrees that he will not at any time discuss any matter concerning PSI with anyone adverse or potentially adverse to PSI on any matter including employment claims or customer claims, without the prior written consent of Counsel for PSI. Nothing contained herein, however, shall preclude Brkich from discussing any matter concerning PSI with any governmental regulatory or self-regulatory agency. Further, if requested by a governmental regulatory agency or self-regulatory agency to provide testimony or information regarding PSI, Brkich will cooperate with said regulatory agency. If compelled to testify by a validly served subpoena in any legal proceeding or by regulatory authority, Brkich will testify truthfully as to all matters concerning his employment at PSI. Brkich agrees to disclose to PSI as soon as reasonably practical, all requests for information, and to discuss with PSI his response thereto.

10. Confidentiality of Agreement. Brkich agrees not to disclose or cause to be disclosed, either directly or indirectly, to any person or organization, except to his legal and financial advisor(s), or as required by law, or in response to an inquiry from a governmental regulatory or self-regulatory authority, any information regarding the amount of, terms of, or facts or circumstances underlying this Agreement.

11. Entire Agreement and Severability. The parties hereto agree that this Agreement may not be modified, altered or changed except by a written agreement signed by the parties hereto. The parties acknowledge that this constitutes the entire agreement between them superseding all prior written and oral agreements. If any provision of this Settlement Agreement And General Release is held to be invalid, the remaining provisions shall remain in full force and effect.

12. Arbitration. Any claim or controversy arising out of or related to this Settlement Agreement And General Release or the interpretation thereof will be settled by arbitration under the then prevailing constitution and rules of the New York Stock Exchange, Inc., or the National Association of Securities Dealers, Inc. Judgment based upon the decision of the arbitrators may be entered in any court having jurisdiction thereof. The governing law of this Agreement shall be the substantive and procedural law of the State of New York.

13. Breach of Agreement. Should Brkich violate any provision of this Agreement, the Company may apply for appropriate relief. In any proceeding to enforce the terms of this Agreement, the Agreement may be introduced under seal in order to maintain its confidentiality. Brkich understands and agrees that the damage to the Company due to any such breach will be extremely difficult to determine. Because of this difficulty, Brkich agrees that in the event of a finding of such breach, he will forfeit to PSI all amounts received pursuant to this agreement, and he shall indemnify PSI for any and all costs incurred in connection with any such recovery, including reasonable attorneys' fees. Notwithstanding any such relief, all of the other terms of this Separation Agreement and General Release, including, without limitation, Brkich's release of claims, shall remain in full force and effect. The remedies provided for in this provision shall not be construed to be exclusive and do not bar any other claims for relief.

14. Voluntary Execution. Brkich acknowledges that he has carefully read this Agreement and understands all of its terms including the full and final release of claims set forth above. Brkich further acknowledges that he has voluntarily entered into this Agreement; that he has not relied upon any representation or statement, written or oral, not set forth in this Agreement; that the only consideration for signing this Agreement is as set forth herein; that the consideration received for executing this Agreement is greater than that to which he may otherwise be entitled; and that this document gives him the opportunity and encourages him to have this Agreement reviewed by his attorney and tax advisor. Brkich also acknowledges that he has been afforded at least twenty-one days to consider the release provision contained herein and that he has seven days after signing this Agreement to revoke it in writing. Accordingly, no payments required under this Agreement shall be made until the expiration of seven days following Brkich's execution of the Agreement.

IN WITNESS WHEREOF, the parties hereto evidence their agreement by their signatures.

Date:

1-10-97

PRUDENTIAL SECURITIES INCORPORATED

BY: 

Date:

1/13/97


DOUGLAS BRKICH