

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Harpel Advisory Company, Inc., (Claimant) vs. Salomon Grey Financial Corp. and Emmett A. Larkin Co., Inc., (Respondents)

Case Number: 00-00535

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Harpel Advisory Company, Inc., hereinafter referred to as "Claimant": Brooks R. Burdette, Esq., Schulte Roth & Zabel LLP, New York, NY.

Respondent, Salomon Grey Financial Corp. ("Salomon"): William B. Federman, Esq., Dreier Baritz & Federman, Oklahoma City, OK.

Respondent, Emmett A. Larkin Co., Inc. ("Emmett"): Melvin L. Peterson, Executive Vice President, Emmett A. Larkin Co., Inc., San Francisco, CA.

CASE INFORMATION

Statement of Claim filed on or about: February 4, 2000.

Claimant signed the Uniform Submission Agreement.

Statement of Answer filed by Salomon on or about: April 24, 2000.

Salomon signed the Uniform Submission Agreement: June 2, 2000.

Statement of Answer filed by Emmett on or about: April 3, 2000.

Emmett signed the Uniform Submission Agreement: March 31, 2000.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract; unjust enrichment; promissory estoppel; and fraud. Claimant's claim involved the stock of Lucent Technologies, Inc.

Unless specifically admitted in its Answer, Salomon denied the allegations made in the Statement of Claim and asserted the following defenses: unclean hands; waiver; estoppel; failure of consideration; and absence of the real party in interest.

Unless specifically admitted in its Statement of Answer, Emmett denied the allegations made in the Statement of Claim and asserted the following defenses: Emmett confirmed the transaction in question in accordance with the required procedure; Emmett had no duty to do anything other than submit the trade data and pay for the securities upon receipt; and Claimant is entitled to nothing from Emmett.

RELIEF REQUESTED

Claimant requested judgement against Salomon and Emmett as follows:

- a. In the amount of approximately \$200,000.00 plus interest from January 10, 2000;
- b. Awarding Claimant its costs and disbursements as well as its reasonable attorneys' fees in connection with this action; and
- c. Granting Claimant such other and further relief as the Panel may deem just and proper.

Salomon requested that Claimant's claims be dismissed, and that it be awarded its attorneys' fees, costs, and any consequential losses arising from this action.

Emmett requested that it be dismissed as a Respondent in this matter.

OTHER ISSUES CONSIDERED AND DECIDED

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 testimony and evidence presented at the hearing, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Salomon be and hereby is liable for and shall pay to Claimant the sum of \$217,375.00 as compensatory damages, plus interest at the rate of 9% per annum accruing from January 11, 2000 until payment of the Award. To the extent that funds relating to the transaction at issue are under the control of Emmett, Emmett is hereby directed to remit such funds including any interest earned thereon to Claimant toward payment of the award.
2. All other requests for relief are hereby denied.

FEEs

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 300.00

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 at the time of the events giving rise to the dispute. In this matter, Salomon Grey Financial Corp. and Emmett A. Larkin Co., Inc. are parties.

Salomon Grey Financial Corp.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

Emmett A. Larkin Co., Inc.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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 Panel x \$1,125.00	= \$1,125.00
Pre-hearing conference: September 28, 2000	1 session

Six (6) Hearing sessions x \$1,125.00	= \$6,750.00
Hearing Dates: January 23, 2001	2 sessions
January 24, 2001	2 sessions
January 25, 2001	2 sessions

Total Forum Fees	= \$7,875.00
------------------	--------------

1. The Panel has assessed \$3,937.50 of the forum fees against Claimant.

2. The Panel has assessed \$3,937.50 of the forum fees against Salomon.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$3,937.50
Total Fees	= \$4,237.50
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$2,812.50

2. Salomon be and hereby is solely liable for:

Member Fees	= \$4,600.00
Forum Fees	= \$3,937.50
Total Fees	= \$8,537.50
<u>Less payments</u>	<u>= \$4,600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$3,937.50

3. Emmett be and hereby is solely liable for:


Member Fees	= \$4,600.00
Total Fees	= \$4,600.00
<u>Less payments</u>	<u>= \$4,600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are due and payable to NASD Dispute Resolution, Inc.

NASD Dispute Resolution, Inc.
Arbitration No. 00-00533
Award Page 5

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 1507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



John F. Tague, III, Esq.
Public Arbitrator, Presiding Chair

3/27/01

Signature Date

Micalyn S. Harris, Esq.
Public Arbitrator

Signature Date

James I. McCormack
Industry Arbitrator

Signature Date

March 29, 2001

Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
Arbitration No. 00-00535
Award Page 6

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, 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.

John F. Tague, III, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Micalyn S. Harris
Micalyn S. Harris, Esq.
Public Arbitrator

3/28/01
Signature Date

James J. McCormack
Industry Arbitrator

Signature Date

March 29, 2001
Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.

Arbitration No. 00-00535

Award Page 7

Concurring Arbitrators' Signatures

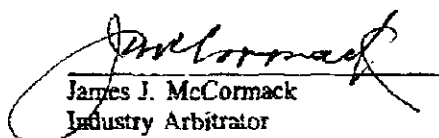
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

John F. Tague, III, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Micalyn S. Harris, Esq.
Public Arbitrator

Signature Date


James J. McCormack
Industry Arbitrator

3/28/01
Signature Date

March 29, 2001
Date of Service (For NASD office use only)