

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Marcia Kaufman, (Claimant) vs. Bear, Stearns & Company; Bear, Stearns Securities Corp.;
M.A. Berman & Co., and Meyer Berman, (Respondents)

Case Number: 00-04110

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Marica Kaufamn, hereinafter referred to as "Claimant": Issac M. Zucker, Esq.,
Syosset, NY.

Respondents, Bear, Stearns & Company, ("BS&C") and Bear, Stearns Securities Corp.,
("BSSC") hereinafter collectively referred to as "Bear Stearns": David S. Smith, Esq., Smith
Campbell, LLP, New York, NY.

Respondents, M.A. Berman & Co., ("MABC") and Meyer Berman ("Berman"): Eva H. Posman,
Esq., a sole practitioner, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: September 15, 2000.

Amended Statement of Claimed filed: February 8, 2002.

Claimant signed the Uniform Submission Agreement: August 31, 2000.

Joint Statement of Answer and Motion to Dismiss filed by Bear Stearns: April 22, 2002.

BS&C did not sign a Uniform Submission Agreement.

BSSC did not sign a Uniform Submission Agreement.

Joint Statement of Answer filed by MABC and Berman: January 2, 2001.

MABC signed the Uniform Submission Agreement: December 26, 2000.

Berman signed the Uniform Submission Agreement: December 26, 2000.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; fraud; negligence;
churning; violation of NASD rules; failure to supervise; vicarious liability; control person
liability; and Bear Stearn's violation of UCC Article 3.

Unless specifically admitted in their Answer, MABC and Berman denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a cause of action; Claimant gave her husband ("Mr. Gleicher") full power of attorney over her account; MABC and Berman advised Claimant as to the status of her account (the "Account") on a number of occasions; Claimant advised MABC and Berman that she did not want to upset Mr. Gleicher in accordance by interfering with the trading he was conducting on her behalf; Claimant had full knowledge of the trading Mr. Gleicher had engaged in with respect to the Account; Claimant refused to revoke the power of attorney she had given to Mr. Gleicher; Claimant permitted Mr. Gleicher to trade the Account with an additional \$80,000.00; Claimant claims that she failed to access amounts withdrawn from the Account, payable to her, which were placed in a joint checking account; Claimant ratified all of the activity in the Account and knowingly waived her right to complain thereof; Claimant is estopped to complain of the activity in the Account; Claimant directed her clearing broker, Bear Stearns, to send statements to a post office box, instead of to her home address; Claimant is estopped to complain that she was not aware of the activity in her account; Claimant advised MABC and Berman that her trading objectives were trading profits and that she might wish to employ trading strategies which were highly speculative; and Claimant is estopped to complain that the activity in her account was speculative.

Unless specifically admitted in their Answer, Bear Stearns denied the allegations made in the Statement of Claim and asserted the following defenses: as MABC's broker, Bear Stearns owed no duty to Claimant; Claimant contractually agreed that Bear Stearns was entitled to follow MABC's instructions and would have no liability for misconduct on the part of MABC or its employees; Claimant's Claim is barred in whole or part by applicable statutes of limitation; Claimant's Claim is barred in whole or part by Claimant's own contributory or comparative negligence, including without limitation her apparent failure to raise any questions over a period of years despite her alleged failure to receive account statements; any injuries or damages suffered by Claimant were proximately caused by the culpable acts or omissions of persons other than Bear Stearns, over whom Bear Stearns has no control; and Claimant's Claim is barred in whole or part by Claimant's failure to take reasonable measures to mitigate her alleged damages.

RELIEF REQUESTED

Claimant requested:

1. Damages in an amount thus far not determined, but believed to be in excess of \$1,000,000.00, plus commissions and markups/markdowns, plus margin interest;
2. Punitive damages in an amount to be determined by the Arbitration Panel;
3. Pre-Award and post-award interest at the maximum rate allowed by law from the date of the original investment;
4. Attorneys' fees, costs, disbursements; and
5. All other and further relief as the Arbitration Panel may deem just and proper.

MABC and Berman requested that the Arbitration Panel dismiss the Statement of Claim, and that MABC and Berman be awarded attorneys' fees, costs and disbursements, including forum fees.

Bear Stearns requested that Claimant's Claim be dismissed as against Bear Stearns with prejudice; that all forum fees be assessed against Claimant; and that the Arbitration Panel award Bear Stearns such other and further relief, including reasonable costs and attorneys' fees, as the Arbitration Panel deems just under the circumstances.

OTHER ISSUES CONSIDERED AND DECIDED

BS&C BSSC did not file with NASD Dispute Resolution a properly executed submission to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim are bound by the determination of the Panel on all issues submitted.

Prior to the commencement of the hearing, Bear Stearns was dismissed with prejudice.

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

1. Respondents MABC and Berman are found liable and shall pay to Claimant compensatory damages in the sum of \$130,000.00.
2. All other requests are hereby denied.

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 = \$ 500.00

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, Bear, Stearns & Company, Bear, Stearns Securities Corp., and M.A. Berman & Co. are parties.

Bear, Stearns & Company

Member surcharge	= \$ 2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 4,500.00

Bear, Stearns Securities Corp.

Member surcharge	= \$ 2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 4,500.00

M.A. Berman & Co.

Member surcharge	= \$ 2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 4,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

December 5, 2001, adjournment by Claimant	= \$ 1,200.00
September 5, 2001, adjournment by Berman	= \$ 1,200.00
November 20, 2002, adjournment by Berman	= \$ 1,500.00

Forum Fees and Assessments

The Panel assesses forum fees for each session conducted. A 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:

Three (3) Pre-hearing sessions with Panel x \$1,200.00	= \$ 3,600.00
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Pre-hearing conferences:	June 27, 2001	1 session
	August 27, 2001	1 session
	August 15, 2002	1 session

Four (4) Hearing sessions x \$1,200.00	= \$ 4,800.00
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Hearing Dates:	April 8, 2003	2 sessions
	April 9, 2003	2 session

Total Forum Fees	= \$ 8,400.00
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1. The Panel has assessed all of the forum fees jointly and severally against Respondents MABC and Berman.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 500.00
<u>Adjournment Fee</u>	= \$ 1,200.00
Total Fees	= \$ 1,700.00
<u>Less payments</u>	= \$ 1,800.00
Refund Due Claimant	= \$ 100.00

2. Respondent Bear, Stearns & Company is solely liable for:

<u>Member Fees</u>	= \$ 7,600.00
Total Fees	= \$ 7,600.00
<u>Less payments</u>	= \$ 7,600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondent Bear, Stearns Securities Corp. is solely liable for:

<u>Member Fees</u>	= \$ 7,600.00
Total Fees	= \$ 7,600.00
<u>Less payments</u>	= \$ 7,600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Respondent M.A. Berman & Co. is solely liable for:

<u>Member Fees</u>	= \$ 7,600.00
Total Fees	= \$ 7,600.00
<u>Less payments</u>	= \$ 7,354.00
Balance Due NASD Dispute Resolution	= \$ 246.00

5. Respondent Meyer Berman is solely liable for:

<u>Adjournment Fees</u>	= \$ 2,700.00
Total Fees	= \$ 2,700.00
<u>Less payments</u>	= \$ 1,200.00
Balance Due NASD Dispute Resolution	= \$ 1,500.00

6. Respondents M.A. Berman & Co. and Meyer Berman, are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 8,400.00
Total Fees	= \$ 8,400.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 8,400.00

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

ARBITRATION PANEL

Ann J. Pinciss, Esq.	-	Public Arbitrator, Presiding Chair
Robert B. Van Grover, Esq.	-	Non-Public
Salvatore Saladini	-	Non-Public Arbitrator

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 is which is my award.



Ann J. Pinciss, Esq.
Public Arbitrator, Presiding Chairperson

05.08.03
Signature Date

Robert B. Van Grover, Esq.
Public Arbitrator

Signature Date

Salvatore Saladini
Non-Public Arbitrator

Signature Date

May 13, 2003
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

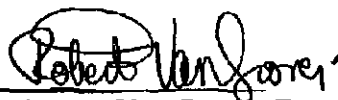
Ann J. Pinciss, Esq.	-	Public Arbitrator, Presiding Chair
Robert B. Van Grover, Esq.	-	Non-Public
Salvatore Saladini	-	Non-Public Arbitrator

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 is which is my award.

Ann J. Pinciss, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


Robert B. Van Grover, Esq.
Public Arbitrator

5/9/03

Signature Date

Salvatore Saladini
Non-Public Arbitrator

Signature Date

May 13, 2003

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Ann J. Pinciss, Esq.	-	Public Arbitrator, Presiding Chair
Robert B. Van Grover, Esq.	-	Non-Public
Salvatore Saladini	-	Non-Public Arbitrator

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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 is which is my award.

Ann J. Pinciss, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Robert B. Van Grover, Esq.
Public Arbitrator

Signature Date



Salvatore Saladini
Non-Public Arbitrator

5-5-03
Signature Date

May 13, 2003

Date of Service (For NASD Dispute Resolution use only)