

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Stephen L. Schloss, Barbara Schloss, Jeffrey Schloss, Michael Schloss, Richard Schloss and Robin L. Cohen, (Claimants) v. Salomon Smith Barney Inc. and David Trautenberg, (Respondents)

Case Number: 00-05429

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants Stephen L. Schloss, Barbara Schloss, Jeffrey Schloss, Michael Schloss, Richard Schloss and Robin L. Cohen, hereinafter collectively referred to as "Claimants": Represented by Stuart Perlmutter, Esq., Peter M. Ripin, Esq., Davidoff & Malito LLP, New York, New York

Respondents Salomon Smith Barney Inc. ("Smith Barney") and David Trautenberg ("Trautenberg"), hereinafter collectively referred to as "Respondents": Represented by H. Nicholas Berberian, Neal, Gerber & Eisenberg, Chicago, Illinois

CASE INFORMATION

Statement of Claim filed on or about: December 16, 2000

S. Schloss signed the Uniform Submission Agreement: November 24, 2000.

M. Schloss signed the Uniform Submission Agreement: November 29, 2000.

R. Cohen signed the Uniform Submission Agreement: November 30, 2000.

B. Schloss signed the Uniform Submission Agreement: November 30, 2000.

J. Schloss signed the Uniform Submission Agreement: December 1, 2000.

R. Schloss signed the Uniform Submission Agreement: December 1, 2000.

Statement of Answer filed by Respondents on or about: February 23, 2001

Smith Barney signed the Uniform Submission Agreement: February 20, 2001.

Trautenberg signed the Uniform Submission Agreement: February 21, 2001.

CASE SUMMARY

Claimants asserted the following causes of action: Breach of Fiduciary Duty, Negligence and/or Breach of Duty, Violation of NASD and NYSE Rules, Breach of Contract, Failure to Exercise Due Care, Failure to Disclose, Fraud and Negligent Misrepresentation. The causes of action relate to the ordinary shares and American Depository Shares of Danka Business Systems, PLC.

Unless specifically admitted in its Answer, Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted the following defenses: Failure to State a Claim,

Unclean Hands and *In Pari Delicto*, Comparative Negligence, Estoppel, Ratification, Waiver, Failure to Mitigate, Economic Loss Doctrine, Failure to Specify Damages, Intervening/ Superseding Cause, Voidability/Illegality of Contract, Mutual Mistake, Impracticability/ Impossibility and Statutes of Limitation.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of approximately \$18,000,000.00, together with interest, punitive damages, costs and attorneys' fees.

Respondents requested dismissal of the Statement of Claim in its entirety and their costs of this action, including reasonable attorneys' fees and costs.

OTHER ISSUES CONSIDERED AND DECIDED

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

In full and final resolution of the issues submitted for determination, the Panel orders as follows:

1. Any and all claims asserted in this matter against individual Respondent David Trautenberg have been withdrawn by Claimants and are hereby dismissed with prejudice. Accordingly, David Trautenberg has requested the expungement of all references to this arbitration from his registration records maintained by the NASD Central Registration Depository.

2. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent David Trautenberg's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent David Trautenberg must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

3. All claims against Salomon Smith Barney Inc. are hereby dismissed with prejudice pursuant to a settlement reached between the parties.

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	= \$ 600.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person(s) at the time of the events giving rise to the dispute. In this matter, the member firm Salomon Smith Barney is a party.

Member Surcharge	= \$3,600.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$5,000.00</u>
Total Member Fees	= \$9,200.00

Adjournment Fees

The following adjournment fees are assessed:

Hearing Dates, adjournment assessed against Claimants	= \$ 600.00
Hearing Dates, adjournment assessed against Respondents	= \$ 600.00

Forum Fees and Assessments

The Arbitrator/Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Forum fees associated with these proceedings are:

(1) Pre-hearing conference session with a single arbitrator @ \$ 450.00/session	= \$ 450.00
Pre-hearing conference: September 26, 2001	

(2) Pre-hearing conference session with the Panel @ \$1200/session	= \$2,400.00
Pre-hearing conferences: May 29, 2002 and December 5, 2001	

Total Forum Fees	= \$2,850.00
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1. The Panel has assessed \$1,425.00 of the forum fees (jointly and severally) against Claimants.
2. The Panel has assessed \$1,425.00 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Adjournment Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$1,425.00</u>
Total Fees	= \$2,625.00
<u>Less payments</u>	<u>= \$1,870.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 755.00

2. Respondent Salomon be and hereby is solely liable for:

Member Fees	= \$9,800.00
<u>Less payments</u>	<u>= \$9,800.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$0

3. Respondents Solomon and Trautenberg be and hereby are jointly and severally liable for:

Adjournment Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$1,425.00</u>
Less Payments	=\$0
Balance Due NASD Dispute Resolution, Inc.	= \$2,025.00

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

Parties' Signatures

By: 

Stuart Perlmutter
Peter M. Ripin
Davidoff & Malito LLP
605 Third Avenue
New York, New York 10158
(212) 557-7200

As Attorneys for

Stephen L. Schloss
Barbara Schloss
Jeffrey Schloss
Michael Schloss
Richard Schloss
Robin L. Cohen

By: 

H. Nicholas Berberian
Neal, Gerber & Eisenberg
Two N. LaSalle Street, Suite 2300
Chicago, Illinois 60602
(312) 269-8000

As Attorneys for

Salomon Smith Barney
David Trautenberg

ARBITRATION PANEL

(David S. Billett, Esq.)

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Public Arbitrator, Presiding Chair

(Shelley Teitelbaum)

-

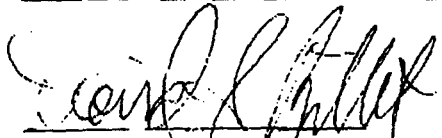
Public Arbitrator

(Robert Manfreda)

-

Industry Arbitrator

Concurring Arbitrators' Signature(s)



David S. Billett, Esq.

Public Arbitrator, Presiding Chair

3/14/02
Signature Date

Shelley Teitelbaum

Public Arbitrator

Signature Date

Robert Manfreda

Industry Arbitrator

Signature Date

March 15, 2002

Date of Service (For NASD office use only)

ARBITRATION PANEL

(David S. Billet, Esq.)	-	Public Arbitrator, Presiding Chair
(Shelley Teitelbaum)	-	Public Arbitrator
(Robert Manfredi)	-	Industry Arbitrator

Concurring Arbitrators' Signature(s)

David S. Billett, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Shelley Teitelbaum
Public Arbitrator

Signature Date



Robert Manfredi
Industry Arbitrator

3/15/2002
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NASD Dispute Resolution, Inc.

Arbitration No. 00-05429

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ARBITRATION PANEL

(David S. Billett, Esq.)	-	Public Arbitrator, Presiding Chair
(Shelley Teitelbaum)	-	Public Arbitrator
(Robert Manfredo)	-	Industry Arbitrator

Concurring Arbitrators' Signature(s)

David S. Billett, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Shelley Teitelbaum
Public Arbitrator



Signature Date

Robert Manfredo
Industry Arbitrator

Signature Date

March 15, 2002
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