
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

DiMare Homestead, Inc.
DiMare Ruskin, Inc.
DiMare Johns Island, Inc.
DiMare Management, Corp.
Paul J. DiMare Charitable Foundation
Paul J. DiMare, Jr.
Anthony DiMare
Scott DiMare
Gino DiMare

Case Number: 01-00115

Names of the Respondents

Donaldson Lufkin & Jenrette Securities Corporation
Lehman Brothers Inc.
James D. Webb, Jr.

Hearing Site: Boca Raton, Florida

Name of the Third Party Respondent

Jeffrey Rabin

REPRESENTATION OF PARTIES

For DiMare Homestead, Inc. ("DMHI"), DiMare Ruskin, Inc. ("DMRI"), DiMare Johns Island, Inc. ("DMJI"), DiMare Management, Corp. ("DMMC"), Paul J. DiMare Charitable Foundation ("PJDMCF"), Paul J. DiMare, Jr. ("PJDMJ"), Anthony DiMare ("ADM"), Scott DiMare ("SDM") and Gino DiMare ("GDM"), hereinafter collectively referred to as "Claimants": Richard Critchlow, Esq., Kenny Nachwalter Seymour Arnold Critchlow and Spector, Miami, Florida.

For Respondent Donaldson Lufkin & Jenrette Securities Corporation ("DLJ"): Brian Amery and David J. Campbell, Bressler, Amery & Ross, P.C., New York, New York; and Bennett Falk, Esq. and Keith Olin, Esq., Morgan, Lewis & Bockius, Miami, Florida.

For Respondent Lehman Brothers, Inc. ("Lehman"): Bradford D. Kaufman, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

For Respondent James D. Webb, Jr. ("Webb"): Lawrence L. Klayman, Esq., Klayman & Toskes, P.A., Boca Raton, Florida.

For Third Party Respondent Jeffrey Rabin ("Rabin"): Scott J. Link, Esq., Ackerman,

Link, Sartory, West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: January 8, 2001.
Claimants DMHI and DMJII signed the Uniform Submission Agreement: January 4, 2001.
Claimants DMRI and DMMC signed the Uniform Submission Agreement: January 4, 2001.
Claimant PJDMCF signed the Uniform Submission Agreement: January 4, 2001.
Claimant GDM signed the Uniform Submission Agreement: January 4, 2001.
Claimant PDM signed the Uniform Submission Agreement: January 4, 2001.
Claimant ADM signed the Uniform Submission Agreement: January 4, 2001.
Claimant SDM signed the Uniform Submission Agreement: January 4, 2001.
Statement of Answer and Third Party Claim filed by Respondent DLJ on or about: May 8, 2001.
Statement of Answer filed by Respondent Lehman on or about: May 7, 2001.
Statement of Answer filed by Respondent Webb on or about: May 21, 2001.
Statement of Answer to Third Party Claim and Cross-Claim filed by Third Party Respondent Rabin on or about: September 24, 2001.
Statement of Answer to Cross-Claim filed by Respondent DLJ on or about: November 14, 2001.
Statement of Answer to Cross-Claim filed by Respondent Lehman on or about: December 3, 2001.
Respondent Lehman signed the Uniform Submission Agreement: May 15, 2001.
Third Party Respondent Rabin signed the Uniform Submission Agreement: September 21, 2001.
Respondents DLJ and Webb did not file executed Uniform Submission Agreements.
Respondent DLJ filed its Motion for Leave to Amend its Statement of Answer on or about: August 6, 2003.
Claimants filed their Response to DLJ's Motion for Leave to Amend its Statement of Answer on or about: August 8, 2003.
Respondent DLJ filed its Reply in Support of its Motion for Leave to Amend its Statement of Answer on or about: August 12, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: (1) securities fraud; (2) fraud; (3) breach of fiduciary duty; (4) negligence; and 5) violation of Florida Statutes Section 517.211. Claimants alleged that Respondents DLJ, Webb and Lehman were joint tortfeasors, as that term is defined and used in Section 768.31, Florida Statutes, and New York General Obligations Law Section 15-108, as to alleged damages suffered during the time Claimants held their accounts at Lehman Bros. The causes of action relate to unspecified activities generated in Claimants accounts including the purchase and sale of securities and the opening of margin accounts.

Unless specifically admitted in its Answer, Respondent DLJ denied the allegations in the Statement of Claim. DLJ specifically denied that: (1) it engaged in any activity in violation of any federal or state law, regulation or agency rule; (2) any fiduciary duty owed to Claimants was breached; (3) trading in the accounts was unsuitable; (4) it engaged in churning; (5) it breached any contract; (6) DLJ was negligent in its supervision; and (7) DLJ was negligent in its hiring.

Unless specifically admitted in its Answer, Respondent Lehman denied the allegations made in the Statement of Claim and asserted various defenses.

Unless specifically admitted in his Answer, Respondent Webb denied the allegations made in the Statement of Claim and asserted various defenses.

Respondent DLJ asserted a third party claim against Third Party Respondent Rabin for contribution and indemnification.

Unless specifically admitted in his Answer, Third Party Respondent Rabin denied the allegations made in the Third Party Claim and asserted various defenses.

Third Party Respondent Rabin asserted cross-claims against Respondents DLJ and Lehman for: 1) unsuitable investments and over-concentration; 2) churning; 3) breach of contract; 4) breach of fiduciary duty; 5) negligent supervision; 6) negligent hiring; and 7) violations of federal and state laws and regulations. The causes of action relate to a transfer of Rabin's securities accounts from Respondent DLJ to Respondent Lehman and subsequent unspecified trades in Rabin's accounts.

Unless specifically admitted in its Answer to the Cross-claim, Respondent DLJ denied the allegations made in the Cross-claim and asserted various defenses.

Unless specifically admitted in its Answer to the Cross-claim, Respondent Lehman denied the allegations made in the Cross-claim and asserted various defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in excess of \$35,000,000.00, plus prejudgment interest, punitive damages, costs of this action, and reasonable attorneys' fees.

Respondent DLJ requested that the Statement of Claim be dismissed in its entirety and that all fees and costs be assessed against Claimants.

Respondent Lehman requested that all claims against it be dismissed.

Respondent Webb requested that all claims against him be dismissed.

In its Third Party Claim, Respondent DLJ requested that to the extent that an award is

entered against it, that an award be entered against Third Party Respondent Rabin indemnifying Respondent DLJ for the full amount of its loss.

Third Party Respondent Rabin requested that all claims against him be dismissed. In addition, in his Cross-claim he requested that he be awarded compensatory damages in excess of \$3,500,000.00, plus lost profits, commissions, margin interest and costs.

Respondent DLJ requested that all claims set forth in the Cross-claim be dismissed in their entirety.

Respondent Lehman requested that all claims set forth in the Cross-claim be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On or about December 9, 2002, the parties submitted Stipulations of Dismissal with Prejudice dismissing Respondent DLJ's Third Party Complaint against Third Party Respondent Rabin as well as Third Party Rabin's Cross-Claim against Respondent DLJ.

On or about February 19, 2003, Third Party Respondent Rabin advised NASD Dispute Resolution that he was dismissing, with prejudice, his cross-claims against Respondent Lehman.

On or about July 29, 2003, Claimants advised NASD Dispute Resolution that they were voluntarily dismissing Respondent Lehman, without prejudice, from the arbitration proceeding.

Respondent Webb did not appear at the evidentiary hearing in this matter. Upon review of the file and the representations made on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondent Webb has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondents DLJ and Webb did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements 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.

At the opening of the evidentiary hearing on August 18, 2003, the parties indicated that there were no representatives present because a settlement was reached between Claimants and Respondent DLJ. The parties requested the panel enter an Award as to the reasonableness of their settlement so that the Award can be filed in both New York and Florida courts.

At the evidentiary hearing on August 18, 2003, Respondent DLJ withdrew its Motion for Leave to Amend.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent Lehman Bros. was dismissed without prejudice on July 29, 2003. Claimants and DLJ subsequently entered into a confidential settlement agreement. In connection with that agreement, DLJ was dismissed with prejudice as of the date of this Award. A final arbitration hearing was properly noticed for August 18, 2003. Webb did not appear personally or through counsel. Counsel affirmatively stated neither he nor his client would appear. Claimants agreed to dismiss Webb without prejudice. On August 15, 2003, DLJ and Claimants entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon joint oral motion of Respondent DLJ and Claimants for entry of the award and the written stipulation thereto, the Panel hereby grants the motion and enters this award granting the following relief:

- 1) The Panel has been advised of the terms of the settlement and finds that, based on the representations of the parties, it is reasonable and was entered into in good faith as those terms are used and defined by and in accordance with Section 768.31, Florida Statutes, and New York General Obligations Law Section 15-108. Accordingly, DLJ shall be afforded all the protections of those statutes.
- 2) Claimant's requests for relief pursuant to Florida Statutes Chapter 517 are specifically denied.
- 3) Any and all relief not specifically addressed herein, including Claimants' request for punitive damages, is 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	= \$ 600.00
Third Party Claim filing fee	= \$5,000.00
Cross-claim filing fee	= \$ 600.00

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 persons at the time of the events giving rise to the dispute. Accordingly, DLJ and Lehman are parties.

DLJ Member Fees:

Member surcharge	= \$3,600.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$5,000.00

Lehman Member Fees:

Member surcharge	= \$3,600.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$5,000.00

Adjournment Fees

Adjournments granted during these proceedings:

March 17 through 21, 2003 and March 24 through 28, 2003 hearing dates, adjournment requested by Respondent DLJ. The adjournment fee of \$1,200.00 was waived by the Panel.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were incurred during this proceeding.

Forum Fees and Assessments

The Panel has assessed 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:

Eight (8) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$3,600.00
Pre-hearing conferences:	
May 31, 2002	1 session
June 7, 2002	1 session
February 28, 2003	1 session
March 26, 2003	1 session
July 29, 2003	1 session
July 30, 2003	1 session
July 31, 2003	1 session
August 15, 2003	1 session

One (1) Pre-hearing session with Panel @ \$1,200.00	= \$1,200.00
Pre-hearing conference: March 25, 2002	1 session
Two (2) Hearing sessions @ \$1,200	= \$2,400.00
Hearing Date: August 18, 2003	2 sessions
Total Forum Fees	= \$7,200.00

The Panel has assessed \$3,600.00 of the forum fees jointly and severally to Claimants.
The Panel has assessed \$3,600.00 of the forum fees to Respondent DLJ.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during this proceeding.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$3,600.00
Total Fees	= \$4,200.00
Less payments	= \$4,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent Lehman is solely liable for:

Member Fees	= \$9,200.00
Total Fees	= \$9,200.00
Less payments	= \$9,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Third Party Respondent Rabin is solely liable for:

Cross-claim Filing Fee	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Respondent DLJ is solely liable for:

Third Party Claim Filing Fee	= \$ 5,000.00
Member Fees	= \$ 9,200.00
Forum Fees	= \$ 3,600.00
Total Fees	= \$17,800.00
Less payments	= \$15,400.00

Balance Due NASD Dispute Resolution

= \$ 2,400.00

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

ARBITRATION PANEL

<i>Michael Lau</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Carl Shechter, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Jon Stanley Spisiak</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
Michael Lau
Public Arbitrator, Presiding Chairperson

Signature Date

/s/
Carl Shechter, Esq.
Public Arbitrator

Signature Date

/s/
Jon Stanley Spisiak
Non-Public Arbitrator

Signature Date

August 25, 2003

Date of Service (For NASD Dispute Resolution use only)

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Concurring Arbitrators' Signatures



Michael Lau
Public Arbitrator, Presiding Chairperson

8/22/2003
Signature Date

Carl Shechter, Esq.
Public Arbitrator

Signature Date

Jon Stanley Spisiak
Non-Public Arbitrator

Signature Date

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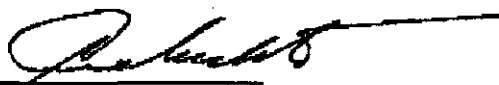
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Public Arbitrator

8/22/03

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