
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Estate of Edward Meyer

Case Number: 02-05059

(consolidated with 02-06185)

Names of the Respondents

Bear Stearns Securities Corp.

Cohmad Securities Corporation

Hearing Site: Boca Raton, Florida

In the Matter of the Arbitration Between:

Name of the Claimant

Marcia Meyer

Case Number: 02-06185

(consolidated with 02-05059)

Names of the Respondents

Bear Stearns Securities Corp.

Cohmad Securities Corporation

Hearing Site: Boca Raton, Florida

Name of Third Party Respondent

Estate of Edward Meyer

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Claimant and Third Party Respondent Estate of Edward Meyer ("EEM"): Michael J. Lavery, Esq., Law Offices of Michael J. Lavery, P.A., Boynton Beach, Florida.

For Claimant Marcia Meyer ("MM"): Charles J. Bennardini, Esq., Katzman, Wasserman & Benanardini, P.A., Boca Raton, Florida.

For Respondent Bear Stearns Securities Corp. ("BSSC"): Bennett Falk, Esq. and Alex Sabo, Esq., Morgan, Lewis & Bockius LLP, Miami, Florida.

For Respondent Cohmad Securities Corporation ("CSC"): Bennett Falk, Esq. and Alex Sabo, Esq., Morgan, Lewis & Bockius LLP, Miami, Florida. Kenneth Lipman, Esq., of Siegel, Lipman, Dunay & Shepard, LLP Boca Raton, Florida, appeared as co-counsel on behalf of

Respondent CSC.

CASE INFORMATION

The following pleadings were filed in **Case Number 02-05059**.

Statement of Claim filed on or about: August 27, 2002.

Claimant EEM signed the Uniform Submission Agreement: August 27, 2002.

Statement of Answer filed by Respondent BSSC on or about: November 13, 2002.

Respondent BSSC signed the Uniform Submission Agreement: September 26, 2002.

Statement of Answer filed by Respondent CSC on or about: November 13, 2002.

Respondent CSC signed the Uniform Submission Agreement: September 23, 2002.

Objection and Reply to Respondent BSSC's Statement of Answer filed by Claimant on or about: November 27, 2002.

Objection and Reply to Respondent CSC's Statement of Answer filed by Claimant on or about: November 27, 2002.

The following pleadings were filed in **Case Number 02-06185**.

Statement of Claim filed on or about: October 10, 2002.

Claimant MM signed the Uniform Submission Agreement: October 10, 2002.

Statement of Answer and Third Party Claim filed by Respondent BSSC on or about: January 7, 2003.

Respondent BSSC signed the Uniform Submission Agreement: November 15, 2002.

Statement of Answer filed by Respondent CSC on or about: January 7, 2003.

Respondent CSC signed the Uniform Submission Agreement: November 6, 2002.

Objection and Reply to Respondent BSSC's Statement of Answer filed by Claimant on or about: January 17, 2003.

Statement of Answer filed by Third Party Respondent EEM on or about: February 27, 2003.

Motion for Joinder and Consolidation of Actions filed by Claimant MM on or about: October 10, 2003.

Consent to Joinder and Consolidation of Actions filed by Claimant EEM on or about: January 13, 2003.

CASE SUMMARY

Claimant EEM asserted the following causes of action in Case Number 02-05059: 1) negligence; 2) breach of fiduciary duty; 3) declaratory action; and 4) violation of Florida Statutes Section 517.301 as to Respondent CSC. The causes of action relate to shares of stock of Ultimate Software Group, Inc. held in Claimant's IRA.

Claimant MM asserted the following causes of action in Case Number 02-06185: 1) breach of fiduciary duty; 2) negligence; and 3) declaratory judgment. The causes of action relate to shares of stock of Ultimate Software Group, Inc. held in an IRA for Claimant EEM.

Unless specifically admitted in their Answers, Respondents BSSC and CSC denied the allegations made in the Statements of Claim and asserted various defenses.

In its Third Party Claim, Respondent BSSC asserted a cause of action for indemnification against Claimant/Third Party Respondent EEM.

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

RELIEF REQUESTED

Claimant EEM requested compensatory damages of \$1,274,221.30, plus interest, pre-judgment interest, punitive damages, diminution in value of stock, that Respondents be compelled to turn over the subject stock to Claimant EEM, attorney's fees, the costs of this proceeding and such other relief as is deemed just and proper.

Claimant MM requested compensatory damages of \$530, 000.00, plus interest, punitive damages, a declaration that Claimant MM is the proper owner of the assets contained in the IRA of Claimant EEM, that Respondents be compelled to turn over the assets of the IRA, attorney's fees, the costs of this proceeding and such other relief as is deemed just and proper.

Respondents requested that all claims against them be dismissed and such other and further relief as is deemed just and proper. Respondents reserved their rights to seek attorney's fees from a court of competent jurisdiction.

In its Third Party Claim, Respondent BSSC requested indemnification from Third Party Respondent EEM for any liability, including costs and attorneys fees incurred in this proceeding.

OTHER ISSUES CONSIDERED AND DECIDED

Based upon the verbal consent of the Respondents to Claimants' Motion for Joinder and Consolidation of Actions, NASD Dispute Resolution administratively consolidated Case Numbers 02-05059 and 02-06185 on January 21, 2003.

The parties have agreed that the 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 undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

1. The rightful owner (beneficiary) of the subject IRA account is Marcia Meyer. She is to receive the current account, including appreciation, plus any deducted commissions for liquidation. Respondent CSC shall transfer the account pursuant to this finding.
2. Respondent CSC is liable and shall pay to Claimant Marcia Meyer, interest at the rate of four percent (4%) per annum on the value of the account, to wit, \$883,624.00, on the date of death of Edward Meyer, determined by the Panel to be October 22, 1999, through the date of service of this Award.
3. Respondent CSC is liable and shall pay to Claimant Marcia Meyer interest at the Florida statutory rate from the date of service of this Award until the date of satisfaction of this Award.
4. All claims of Claimant EEM are denied, except as set forth herein.
5. All claims against Respondent BSSC are denied and therefore the Third Party Claim of

BSSC is deemed moot.

6. Respondent CSC is liable and shall pay to Claimant EEM the sum of \$500.00 representing reimbursement of the claim filing fee previously paid by Claimant EEM to NASD Dispute Resolution.
7. Respondent CSC is liable and shall pay to Claimant MM the sum of \$375.00 representing reimbursement of the claim filing fee previously paid by Claimant MM to NASD Dispute Resolution.
8. Claimant MM's requests for damages pursuant to Florida Statutes Chapter 517 were waived by Claimant MM.
9. Claimant MM's requests for punitive damages were waived by Claimant MM.
10. Claimant MM's requests for attorney's fees were waived by Claimant MM.
11. Any and all claims for relief not specifically addressed herein, including Claimant EEM's request for punitive damages, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed in Case Number 02-05059:

Filing Fees

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

Initial claim filing fee	= \$500.00
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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 firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, BSSC is a member firm and a party.

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

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. Accordingly, CSC is a member firm and a party.

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

Adjournment Fees

No adjournments were granted during these proceedings for which fees were assessed.

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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$450.00
Pre-hearing conference: July 28, 2003	1 session
Three (3) Pre-hearing sessions with Panel @ \$1,200.00	= \$3,600.00
Pre-hearing conferences: March 27, 2003	1 session
May 2, 2003	1 session
October 9, 2003	1 session
Seven (7) Hearing sessions @ \$1,200.00	= \$8,400.00
Hearing Dates: October 28, 2003	2 sessions
October 29, 2003	2 sessions
October 30, 2003	3 sessions
Total Forum Fees	= \$12,450.00

The Panel has assessed the total forum fees of \$12,450.00 to Respondent CSC.

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 fees were incurred during this proceeding.

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed in Case Number 02-06185:

Filing Fees

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

Initial claim filing fee	= \$ 375.00
Third Party Claim filing fee	= \$1,250.00

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. Accordingly, BSSC is a member firm and a party.

Member surcharge	= \$2,250.00
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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. Accordingly, CSC is a member firm and a party.

Member surcharge	= \$2,250.00
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Adjournment Fees

No adjournments were granted during these proceedings for which fees were assessed.

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:

No hearing sessions were held in Case Number 02-06185.

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 fees were incurred during this proceeding.

Fee Summary

1. In Case Number 02-05059, Claimant EEM is solely liable for:

<u>Initial Filing Fee</u>	= \$ 500.00
<u>Total Fees</u>	= \$ 500.00
<u>Less payments</u>	= \$ 500.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

2. In Case Number 02-5059, Respondent BSSC is solely liable for:

<u>Member Fees</u>	= \$8,550.00
<u>Total Fees</u>	= \$8,550.00
<u>Less payments</u>	= \$8,550.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

3. In Case Number 02-5059, Respondent CSC is solely liable for:

<u>Member Fees</u>	= \$ 8,550.00
<u>Forum Fees</u>	= \$12,450.00
<u>Total Fees</u>	= \$21,000.00
<u>Less payments</u>	= \$ 8,550.00
<u>Balance Due NASD Dispute Resolution</u>	= \$12,450.00

4. In Case Number 02-06185, Claimant MM is solely liable for:

<u>Initial Filing Fee</u>	= \$ 375.00
<u>Total Fees</u>	= \$ 375.00
<u>Less payments</u>	= \$ 375.00
Balance Due NASD Dispute Resolution	= \$ 0.00

5. In Case Number 02-06185, Respondent BSSC is solely liable for:

<u>Third Party Claim Filing Fee</u>	= \$1,250.00
<u>Member Fees</u>	= \$2,250.00
<u>Total Fees</u>	= \$3,500.00
<u>Less payments</u>	= \$2,250.00
Balance Due NASD Dispute Resolution	= \$1,250.00

6. In Case Number 02-06185, Respondent CSC is solely liable for:

<u>Member Fees</u>	= \$ 2,250.00
<u>Total Fees</u>	= \$ 2,250.00
<u>Less payments</u>	= \$ 2,250.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

<i>Alan L. Sherr, CPA</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Lawrence S. Silver, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Jonathan H. Parker, Esq.</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
Alan L. Sherr, CPA
Public Arbitrator, Presiding Chairperson

Signature Date

/s/
Lawrence S. Silver, Esq.
Public Arbitrator

Signature Date

/s/
Jonathan H. Parker, Esq.
Non-Public Arbitrator

Signature Date

November 26, 2003
Date of Service (For NASD Dispute Resolution use only)

NASD Dispute Resolution
Arbitration No. 02-05059
(consolidated with 02-06185)
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4. In Case Number 02-06185, Claimant MM is solely liable for:

Initial Filing Fee	= \$ 375.00
Total Fees	= \$ 375.00
Less payments	= \$ 375.00
Balance Due NASD Dispute Resolution	= \$ 0.00

- 5. In Case Number 02-06185, Respondent BSSC is solely liable for:**

Third Party Claim Filing Fee	= \$1,250.00
<u>Member Fees</u>	<u>= \$2,250.00</u>
Total Fees	= \$3,500.00
<u>Less payments</u>	<u>= \$2,250.00</u>
Balance Due NASD Dispute Resolution	= \$1,250.00

- 6. In Case Number 02-06185, Respondent CSC is solely liable for:**


Member Fees	= \$ 2,250.00
Total Fees	= \$ 2,250.00
Less payments	= \$ 2,250.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Alan L. Sherr, CPA	-	Public Arbitrator, Presiding Chairperson
Lawrence S. Silver, Esq.	-	Public Arbitrator
Jonathan H. Parker, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Alan L. Sherr, CPA
Public Arbitrator, Presiding Chairperson

11/24/03
Signature Date

Lawrence S. Silver, Esq.
Public Arbitrator

Signature Date

Jonathan H. Parker, Esq.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)

4. In Case Number 02-06185, Claimant MM is solely liable for:
- | | |
|-------------------------------------|-------------|
| Initial Filing Fee | = \$ 375.00 |
| Total Fees | = \$ 375.00 |
| Less payments | = \$ 375.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |
5. In Case Number 02-06185, Respondent BSSC is solely liable for:
- | | |
|-------------------------------------|--------------|
| Third Party Claim Filing Fee | = \$1,250.00 |
| Member Fees | = \$2,250.00 |
| Total Fees | = \$3,500.00 |
| Less payments | = \$2,250.00 |
| Balance Due NASD Dispute Resolution | = \$1,250.00 |
6. In Case Number 02-06185, Respondent CSC is solely liable for:
- | | |
|-------------------------------------|---------------|
| Member Fees | = \$ 2,250.00 |
| Total Fees | = \$ 2,250.00 |
| Less payments | = \$ 2,250.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

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

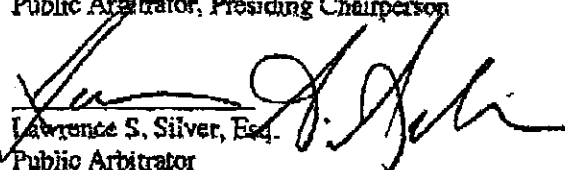
ARBITRATION PANEL

Alan L. Sherr, CPA	-	Public Arbitrator, Presiding Chairperson
Lawrence S. Silver, Esq.	-	Public Arbitrator
Jonathan H. Parker, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Alan L. Sherr, CPA
Public Arbitrator, Presiding Chairperson

Signature Date


Lawrence S. Silver, Esq.
Public Arbitrator

11-25-2003
Signature Date

Jonathan H. Parker, Esq.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)

4. In Case Number 02-06185, Claimant MM is solely liable for:

<u>Initial Filing Fee</u>	= \$ 375.00
<u>Total Fees</u>	= \$ 375.00
<u>Less payments</u>	= \$ 375.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

5. In Case Number 02-06185, Respondent BSSC is solely liable for:

<u>Third Party Claim Filing Fee</u>	= \$1,250.00
<u>Member Fees</u>	= \$2,250.00
<u>Total Fees</u>	= \$3,500.00
<u>Less payments</u>	= \$2,250.00
<u>Balance Due NASD Dispute Resolution</u>	= \$1,250.00

6. In Case Number 02-06185, Respondent CSC is solely liable for:

<u>Member Fees</u>	= \$ 2,250.00
<u>Total Fees</u>	= \$ 2,250.00
<u>Less payments</u>	= \$ 2,250.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

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

ARBITRATION PANEL

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Lawrence S. Silver, Esq.
Jonathan H. Parker, Esq.

Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

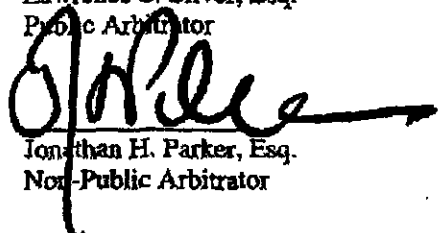
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