

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Claremont Financial Services, Inc. (Claimant) v. Lehman Brothers, Inc., Walter Gerasimowicz,
and Doreen Benson (Respondents)

Case Number: 02-05719

Hearing Site: Boston, Massachusetts

Nature of Dispute: Customer v. Member and Associated Persons

REPRESENTATION OF PARTIES

Claimant Claremont Financial Services, Inc. ("Claremont") hereinafter referred to as "Claimant":
Robert M. Duffy, Esq., Duffy & Sweeney, Ltd., Providence, RI.

Respondents Lehman Brothers Inc. ("Lehman") and Walter Gerasimowicz ("Gerasimowicz"):
Theodore A. Krebsbach, Esq., Krebsbach & Snyder, P.C., New York, NY.

Respondent Doreen Benson ("Benson"): G. Michael Keenan, Esq., G. Michael Keenan, P.A.,
West Palm Beach, FL. Previously represented by: Theodore A. Krebsbach, Esq., Krebsbach &
Snyder, P.C., New York, N.Y.

Lehman, Gerasimowicz, Benson are hereinafter collectively referred to as "Respondents".

CASE INFORMATION

Statement of Claim filed on or about: September 25, 2002.

Claimant signed the Uniform Submission Agreement: September 24, 2002.

Joint Statement of Answer filed by Respondents: December 4, 2002.

Respondent Lehman signed the Uniform Submission Agreement: December 3, 2002.

Respondent Gerasimowicz signed the Uniform Submission Agreement: October 25, 2002.

Respondent Benson did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability; misrepresentation; breach of fiduciary duty; negligence; failure to execute; charging excessive commissions; churning; and failure to supervise. Claimant's claim involved unspecified warrants; Lehman Brothers Communications Fund, L.P., and securities, including but not limited to Checkpoint Software, CMGI, Conexant Systems, Inc., 3Com Corp., C-Cube Microsystems, Inc., Citrix Systems, Inc., 12 Technologies, Inc., Juniper Networks, Inc.

Respondents denied all allegations of wrongdoing set forth in the Claimant's Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages of at least \$2.5 million; recovery of all commissions; punitive damages; reasonable attorneys' fees; and costs, including forum fees.

Respondents requested that Claimant's claim be denied in all respects, that any reference to this matter be expunged from Respondent Gerasimowicz's and Respondent Benson's registration records, and that the costs of this proceeding be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Benson did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim, and appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

Claimant has dismissed, with prejudice, all claims against Respondents Gerasimowicz and Benson.

On or about June 25, 2004, Claimant and Respondent Lehman notified NASD Dispute Resolution that the parties settled this matter and requested entry of this Stipulated Award.

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

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Claimant's claims are dismissed in their entirety.
2. Respondents Gerasimowicz and Benson are retroactively stricken from the pleadings and records maintained by the NASD in this matter.
3. The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Walter Gerasimowicz'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 Gerasimowicz must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

4. The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Doreen Benson's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Benson must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
5. Any and all relief not specifically addressed herein, including 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	= \$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 firm that employed the associated persons at the time of the events giving rise to the dispute. In this matter, Lehman Brothers, Inc. is a party.

Member Surcharge	= \$2,800.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$5,000.00</u>
Total Member Fees	= \$8,550.00

Adjournment Fees

The following adjournment fees are assessed:

March 3-5, 2004, adjournment requested by Respondent Benson	= \$1,200.00
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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. Forum fees associated with these proceedings are:

Five (5) Pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$ 6,000.00
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Pre-hearing conferences:	June 30, 2003	1 session	
	November 12, 2003	1 session	
	November 14, 2003	1 session	
	March 1, 2004	1 session	
	March 19, 2004	1 session	
Ten (10) Hearing sessions @ \$1,200.00/session			= \$12,000.00
Hearings:	March 10, 2004	2 sessions	
	March 11, 2004	2 sessions	
	March 15, 2004	2 sessions	
	March 16, 2004	2 sessions	
	March 17, 2004	2 sessions	
Total Forum Fees			= \$18,000.00

1. The Panel assessed \$4,500.00 of the forum fees against Claimant.
2. The Panel assessed \$13,500.00 of the forum fees against Respondent Lehman.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 4,500.00
Total Fees	= \$ 5,000.00
Less payments	= \$ 5,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00
2. Respondent Lehman is solely liable for:

Member Fees	= \$ 8,550.00
Forum Fees	= \$13,500.00
Total Fees	= \$22,050.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$13,500.00
3. Respondent Benson is solely liable for:

Adjournment Fee	= \$ 1,200.00
Total Fees	= \$ 1,200.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,200.00

All balances are due and payable to NASD Dispute Resolution

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PARTIES' SIGNATURES


Claremont Financial Services, Inc.

July 7, 2004
Signature Date

Lehman Brothers, Inc.

Signature Date

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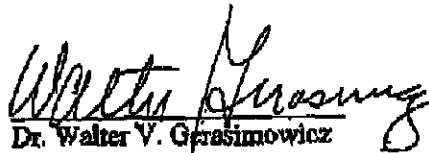
PARTIES' SIGNATURES

Claremont Financial Services, Inc.

Signature Date

Lehman Brother, Inc.

Signature Date


Dr. Walter V. Gerasimowicz


7/8/04
Signature Date

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PARTIES' SIGNATURES

Claremont Financial Services, Inc.

Signature Date

 its Senior Vice President
Lehman Brothers, Inc.

7/16/04
Signature Date

Dr. Walter V. Gerasimowicz

Signature Date

NASD Dispute Resolution

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PARTIES' SIGNATURES

Claremont Financial Services, Inc.

Signature Date

Lehman Brothers, Inc.

Signature Date

Doreen Benson

Signature Date

ARBITRATION PANEL

Sharon Henderson Ellis, Esq.	-	Public Arbitrator, Presiding Chairperson
Robert Pincus, Esq.	-	Public Arbitrator
Stephen M. Acerra, Jr., Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Sharon Henderson Ellis, Esq.
Public Arbitrator, Presiding Chairperson

8/20/04
Signature Date

Robert Pincus, Esq.
Public Arbitrator

Signature Date

Stephen M. Acerra, Jr., Esq.
Non-Public Arbitrator

Signature Date

August 23, 2004
Date of Service (For NASD office use only)

ARBITRATION PANEL

Sharon Henderson Ellis, Esq. -
Robert Pincus, Esq. -
Stephen M. Accerra, Jr., Esq. -

Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

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Sharon Henderson Ellis, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


Robert Pincus, Esq.
Public Arbitrator

Signature Date

Stephen M. Accerra, Jr., Esq.
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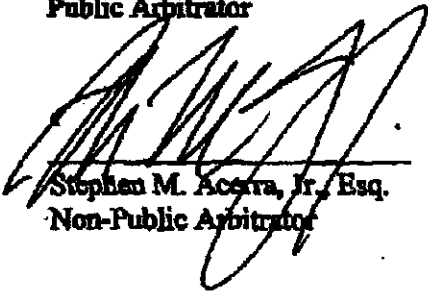
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Sharon Henderson Ellis, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Robert Pincus, Esq.
Public Arbitrator

Signature Date



Stephen M. Accera, Jr., Esq.
Non-Public Arbitrator

08-19-04
Signature Date

August 23, 2004
Date of Service (For NASD office use only)