

**Stipulated Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Aurum Capital Partners, L.P. (Claimant) v. Goldman, Sachs & Co., and Sofia Frankel (Respondents)

Case Number: 02-06866

Hearing Site: New York, New York

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Nature of the Dispute: Customer vs. Member and Associated Person

**REPRESENTATION OF PARTIES**

Claimant Aurum Capital Partners, L.P. hereinafter referred to as "Claimant": Dan Brecher, Esq., Law Offices of Dan Brecher, New York, NY.

Respondent Goldman, Sachs & Company ("Goldman") John F. Lynch, Esq., Wachtell, Lipton, Rosen & Katz, New York, NY.

Respondent Sofia Frankel ("Frankel"): John F. Lynch, Esq., Wachtell, Lipton, Rosen & Katz, New York, NY and Pearl Zuchlewski, Esq., Kraus and Zuchlewski.

**CASE INFORMATION**

Statement of Claim filed on or about November 11, 2002.

Claimant signed the Uniform Submission Agreement: October 5, 2002.

Joint Statement of Answer filed by Respondents on or about: February 7, 2003.

Respondent Goldman signed the Uniform Submission Agreement: February 7, 2003.

Respondent Frankel signed the Uniform Submission Agreement: February 6, 2003.

**CASE SUMMARY**

Claimant asserted the following causes of action: churning; recommendation of unsuitable investments and investment strategies; breach of fiduciary duties; misrepresentation in connection with securities transactions, and failure to supervise. The causes of action relate to the purchase of common stock in Exodus Communication, Intel, Microsoft, and option trading.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimant requested an award in excess of \$67 million in compensatory damages, punitive damages, and such other relief as the arbitrators deem just and proper.

Respondents requested that Claimant's case be dismissed.

### **OTHER ISSUES CONSIDERED AND DECIDED**

On or about November 11, 2003, the parties entered into a confidential settlement agreement and agreed to submit this Stipulated Award to the Panel for signature.

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 an 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. The Panel recommends the expungement of all references to the above captioned arbitration from respondent Sofia Frankel'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 Sofia Frankel must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
3. Any and all relief not specifically addressed herein 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
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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. Accordingly, Goldman Sachs & Co., is a party.

Member surcharge	= \$ 3,750.00
Pre-hearing process fee	= \$ 750.00

Hearing process fee = \$ 5,500.00

**Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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 conference session with Panel @ \$1,200.00 per session  
= \$ 1,200.00

Pre-hearing conference: May 19, 2003 1 session

Total Forum Fees = \$ 1,200.00

1. The Panel has assessed \$600.00 of the forum fees against the Claimant.
2. The Panel has assessed \$600.00 of the forum fees, jointly and severally, against the Respondents.

**Fee Summary**

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 1,200.00
Less payments	= \$ 1,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent Goldman, Sachs & Co. is solely liable for:

Member Fees	= \$ 10,000.00
Total Fees	= \$ 10,000.00
Less payments	= \$ 10,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for

Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$ 600.00
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**

Carl W. Klemme	-	Public Arbitrator, Presiding Chairperson
Edward Weinstein	-	Public Arbitrator
Louis Wald, Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

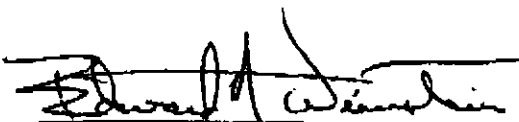
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award




Carl W. Klemme  
Public Arbitrator, Presiding Chairperson



Signature Date



Edward Weinstein  
Public Arbitrator



Signature Date

**Dissenting Arbitrator's Signature**

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Louis Wald, Esq.  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

June 13, 2006

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Date of Service (For NASD Dispute Resolution use only)