

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Kerry Condry, Claimant v. Lehman Brothers, Inc., Veronica McCarthy, and Bill Welsh,
Respondents

Case Number: 03-01508

Hearing Site: San Francisco, California

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

REPRESENTATION OF PARTIES

For Claimant:

Edward Zusman, Esq.
Robert K. Crowe, Esq.
Markun Zusman & Compton
San Francisco, California

For Respondents:

Ben Suter, Esq.
Benjamin W. White, Esq.
Keesal, Young & Logan
San Francisco, California

CASE INFORMATION

Statement of Claim filed: February 27, 2003

Claimant's Uniform Submission Agreement signed: February 15, 2003

Joint Statement of Answer filed by Respondents Lehman Brothers, Inc. ("Lehman Brothers"),
Veronica McCarty and Bill Welsh: April 29, 2003

Respondent Lehman Brothers' Uniform Submission Agreement signed: July 24, 2003

Respondent Veronica McCarthy's Uniform Submission Agreement signed: April 7, 2003

Respondent Bill Welsh's Uniform Submission Agreement signed: May 8, 2003

CASE SUMMARY

Claimant's Statement of Claim complains of losses sustained in Claimant's Lehman Brothers' accounts as a result of technology stocks held in those accounts. Veronica McCarthy was at all relevant times a representative of Lehman Brothers and Claimant's broker of record.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$1,500,000 plus interest, as well as punitive damages in the amount of \$1,500,000, and reimbursement for costs and fees incurred in bringing this arbitration.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety and an award of costs. Respondents Veronica McCarthy and Bill Welsh also requested an expungement of all reference to the above captioned arbitration from his registration record maintained by the NASD Central Registration Depository.

OTHER ISSUES CONSIDERED AND DECIDED

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

STIPULATED DEMAND AND RECOMMENDATION OF EXPUNGEMENT

Pursuant to the resolution voluntarily negotiated by the Claimant and Lehman Brothers, it is hereby stipulated by Claimant and Respondents, through their undersigned attorneys, that:

1. All of Claimant's claims asserted against all Respondents are hereby dismissed with prejudice; and
2. Claimant does not object to the panel rendering the following award:

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Veronica McCarthy and Bill Welsh's registration record maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondents Veronica McCarthy and Bill Welsh must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

AWARD

After considering the Stipulation, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. This arbitration claim is dismissed in its entirety with prejudice as to all Respondents.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Veronica McCarthy and Bill Welsh's registration record maintained by the CRD, with the understanding that pursuant to NASD Notice to Members 99-09, Respondents Veronica McCarthy and Bill Welsh must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. To the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.
5. All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD-DR received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$500.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Lehman Brothers is a party and the following fees are assessed:

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

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

(2) Pre-hearing conference sessions with the Panel @ \$1,200.00/session = \$2,400.00
Pre-hearing conference: October 20, 2003 1 session
 July 16, 2004 1 session

Total Forum Fees = \$2,400.00

1. Claimant has agreed to pay for \$600 of forum fees
2. Respondent Lehman Brothers, Inc. has agreed to pay for \$1,800 of the forum fees.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and other requests.

The parties did not incur administrative costs.

Fee Summary

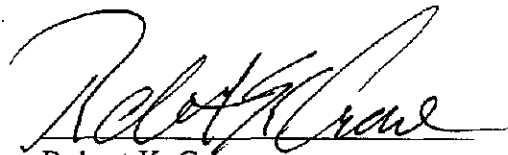
1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 600.00
<u>Administrative Costs</u>	= \$ 0.00
Total Fees	= \$ 1,100.00
<u>Less Payments</u>	= \$ (1,700.00)
Refund Due Claimant	= \$ (600.00)
2. Respondent Lehman Brothers is charged with the following fees and costs:

Member Fees	= \$ 8,550.00
Forum Fees	= \$ 1,800.00
<u>Administrative Costs</u>	= \$ 0.00
Total Fees	= \$ 10,350.00
<u>Less Payments</u>	= \$ (8,550.00)
Balance Due NASD-DR	= \$ 1,800.00

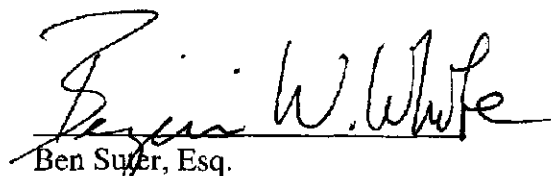
All balances are payable to NASD Dispute Resolution and are payable upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

Parties' Signatures



Robert K. Crowe
Markun Zusman & Compton
Attorneys for Claimant
Kerry Condry

July 23, 2004
Signature Date



Ben Suter, Esq.
Benjamin W. White, Esq
Keesal, Young & Logan
Attorneys for Respondents
Lehman Brothers, Inc., Veronica
McCarthy and Bill Welsh

July 29, 2004
Signature Date

ARBITRATION PANEL

Vivian L. Kral, Esq.	-	Public Arbitrator, Presiding Chair
Homer M. Dalbey	-	Public Arbitrator
Herbert L. Brown	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Vivian L. Kral, Esq.
Chair, Public Arbitrator

Signature Date

Homer M. Dalbey
Public Arbitrator

Signature Date

Dissenting, in part, Arbitrator's Signature

Herbert L. Brown
Non-Public Arbitrator

Signature Date

Date of Service

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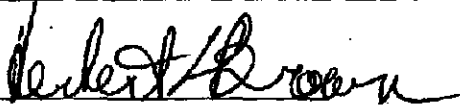
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Herbert L. Brown
Non-Public Arbitrator

8-3-04
Signature Date

8/5/04
Date of Service


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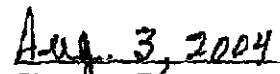
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Public Arbitrator

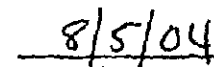


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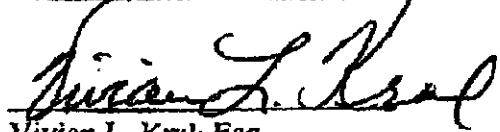


Date of Service

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8/5/04
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