

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Paul V. Bergantino, Jennifer E. Bergantino, Individually and as Parents and Next Friends of Their Minor Children, John Angelo Bergantino, Elizabeth Marie Bergantino and David Rocco Bergantino, and Paul V. Bergantino as Trustee of the Bergantino 1999 Grantor Retained Annuity Trust (Claimants) v. Lehman Brothers, Inc. and Edward L. Turley (Respondents)

Case Number: 03-01843

Hearing Site: Boston, Massachusetts

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

REPRESENTATION OF PARTIES

Claimants Paul V. Bergantino, Jennifer E. Bergantino, Individually and as Parents and Next Friends of Their Minor Children, John Angelo Bergantino, Elizabeth Marie Bergantino and David Rocco Bergantino, and Paul V. Bergantino as Trustee of the Bergantino 1999 Grantor Retained Annuity Trust hereinafter collectively referred to as "Claimants": Thomas G. Shapiro, Esq. and Christine E. Morin, Esq., Shapiro Haber & Urmey, LLP, Boston, MA.

Respondent Lehman Brothers, Inc. ("Lehman") and Edward L. Turley ("Turley") hereinafter collectively referred to as "Respondents": Robert A. Buhlman, Esq. and Eunice E. Lee, Esq., previously Siobhan E. Mee, Esq., Bingham McCutchen, LLP, Boston, MA.

CASE INFORMATION

Statement of Claim filed on or about: March 13, 2003.

Claimants signed the Uniform Submission Agreement: March 11, 2003.

Joint Statement of Answer and Motion to Dismiss filed by Respondents on or about: July 23, 2003.

Respondent Lehman signed the Uniform Submission Agreement: July 23, 2003.

Respondent Turley signed the Uniform Submission Agreement: July 22, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; breach of fiduciary duty; negligence; failure to diversify; and violation of New York General Business Law Section 349. The causes of action relate to shares of Conexant stock.

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

RELIEF REQUESTED

Claimants requested compensatory damages in excess of \$10,000,000.00; interest; costs; punitive damages; reasonable attorneys' fees and expenses; and such other and further relief as the Panel deems appropriate.

Respondents requested an award dismissing the Statement of Claim in its entirety; an order that all references to this matter be stricken from Respondent Turley's record and registration filed with and maintained by the Central Registration Depository; fees and costs; and such other, further, and different relief as the Panel deems appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

On or about January 20, 2005, NASD Dispute Resolution was notified that the parties settled this matter.

In furtherance of the parties' resolution of this matter, Respondents seek an Order recommending expungement of the CRD registration records of Respondent Edward L. Turley of all reference to these proceedings.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings and stipulation of the parties, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination and find as follows:

1. The parties have agreed to settle this matter for a sum certain to be paid by Respondent Lehman Brothers, Inc.
2. Claimants' claims are hereby dismissed in their entirety with prejudice.
3. All parties are to bear their own attorneys' fees and costs.
4. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Edward L. Turley'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 Turley must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

5. Any and all other 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

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 person at the time of the events giving rise to the dispute. Accordingly, Lehman Brothers, Inc. is a party.

Member surcharge	= \$3,750.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

May 11-14, 2004, joint adjournment request	= \$1,200.00
Claimants' share	= \$600.00
Respondents' share	= \$600.00

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

January 24-27, 2005, settled by parties	= \$300.00
Claimants' share	= \$100.00
Respondent Lehman's share	= \$100.00
Respondent Turley's share	= \$100.00

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: April 2, 2004 1 session	

Two (2) Pre-hearing sessions with Panel @ \$1,200.00	= \$2,400.00
Pre-hearing conferences: October 27, 2003 1 session	
April 29, 2004 1 session	
<hr/> Total Forum Fees	<hr/> = \$2,850.00

1. The Panel has assessed one-half, or \$600.00, of the forum fees for the October 27, 2003 pre-hearing conference, one-third, or \$150.00, of the forum fees for the April 2, 2004 pre-hearing conference, and one-third, or \$400.00, of the forum fees for the April 29, 2004 pre-hearing conference, for a total of \$1,150.00 in forum fees, jointly and severally against Claimants.
2. The Panel has assessed one-third, or \$150.00, of the forum fees for the April 2, 2004 pre-hearing conference, and one-third, or \$400.00, of the forum fees for the April 29, 2004 pre-hearing conference for a total of \$550.00 in forum fees, against Respondent Lehman.
3. The Panel has assessed one-third, or \$150.00, of the forum fees for the April 2, 2004 pre-hearing conference, and one-third, or \$400.00, of the forum fees for the April 29, 2004 pre-hearing conference, for a total of \$550.00 in forum fees, against Respondent Turley.
4. The Panel has assessed one-half, or \$600.00, of the forum fees for the October 27, 2003 pre-hearing conference jointly and severally against Respondents.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Adjournment Fee	= \$ 600.00
Three-Day Cancellation Fee	= \$ 100.00
<u>Forum Fees</u>	<u>= \$1,200.00</u>
Total Fees	= \$2,500.00
<u>Less payments</u>	<u>= \$3,210.00</u>
Refund Due Claimants	= \$ 710.00

Pursuant to Rule 10332(f) of the Code of Arbitration Procedure, NASD is retaining the total initial amount of the hearing session deposited by the Claimants because this office was notified by the parties that they settled this matter within eight business days of the first scheduled hearing session.

2. Respondent Lehman is solely liable for:

Member Fees	= \$10,000.00
Three-Day Cancellation Fee	= \$ 100.00
<u>Forum Fees</u>	= \$ 550.00
Total Fees	= \$10,650.00
<u>Less payments</u>	= \$10,000.00
Balance Due NASD Dispute Resolution	= \$ 650.00

3. Respondent Turley is solely liable for:

Three-Day Cancellation Fee	= \$ 100.00
<u>Forum Fees</u>	= \$ 550.00
Total Fees	= \$ 650.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 650.00

3. Respondents are jointly and severally liable for:

Adjournment Fee	= \$ 600.00
<u>Forum Fees</u>	= \$ 600.00
Total Fees	= \$1,200.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,200.00

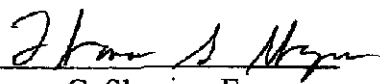
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

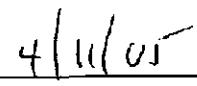
Parties' Signatures

By and through their undersigned counsel, the parties stipulate to the entry of this Stipulated Award.

Claimants: Paul V. Bergantino, Jennifer E. Bergantino, Individually and as Parents and Next Friends of Their Minor Children John Angelo Bergantino, Elizabeth Marie Bergantino and David Rocco Bergantino, and Paul V. Bergantino as Trustee of the Bergantino 1999 Grantor Retained Annuity Trust


By their attorney,

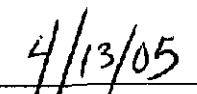

Thomas G. Shapiro, Esq.
Shapiro Haber & Urmey LLP
Exchange Place, 53 State Street
Boston, MA 02109


Signature Date

Respondents: Lehman Brothers, Inc. and Edward L. Turley

By their attorney,


Robert A. Buhlman
Bingham McCutchen LLC
150 Federal Street
Boston, MA 02110


Signature Date

ARBITRATION PANEL

John A. Seiler	-	Public Arbitrator, Presiding Chairperson
George C. Berk, Esq.	-	Public Arbitrator
Michael B. O'Toole	-	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.



John A. Seiler
Public Arbitrator, Presiding Chairperson

4/18/05
Signature Date

George C. Berk, Esq.
Public Arbitrator

Signature Date

Michael B. O'Toole
Non-Public Arbitrator

Signature Date

April 26, 2005
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

John A. Seiler	-	Public Arbitrator, Presiding Chairperson
George C. Berk, Esq.	-	Public Arbitrator
Michael B. O'Toole	-	Non-Public Arbitrator

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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.

John A. Seiler
Public Arbitrator, Presiding Chairperson

Signature Date

George C. Berk
George C. Berk, Esq.
Public Arbitrator

4-23-05
Signature Date

Michael B. O'Toole
Non-Public Arbitrator

Signature Date

April 26, 2005
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

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John A. Seiler
Public Arbitrator, Presiding Chairperson

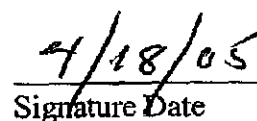
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George C. Berk, Esq.
Public Arbitrator

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Michael B. O'Toole
Non-Public Arbitrator



Signature Date

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