

Award
NASD Dispute Resolution

COPY

In the Matter of the Arbitration Between:

The Goldman Family Trust dated 7/14/94, Claimant v. Credit Suisse First Boston Corporation,
Christopher M. Laver and Scott C. Sorenson, Respondents

Case Number: 03-01927

Hearing Site: San Francisco, California

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

REPRESENTATION OF PARTIES

For Claimant:

Timothy A. Canning, Esq.
Richard Sacks
Novato, California

For Respondents:

Michael J. Lawson, Esq.
Elizabeth A. Frohlich, Esq.
Steefel Levitt & Weiss
San Francisco, California

CASE INFORMATION

Statement of Claim filed: March 18, 2003

Claimant's Pre-Hearing Brief filed: July 28, 2004

Claimant's Uniform Submission Agreement signed: February 22, 2003

Joint Statement of Answer filed by Respondents Credit Suisse First Boston Corporation, also known as Donaldson, Lufkin & Jenrette Securities Corporation ("CSFB"), Christopher M. Laver and Scott C. Sorenson: July 2, 2003

CASE SUMMARY

Claimant alleged that the above-referenced dispute involves investments in two hedge funds, DLJ Private Equity Partners Fund II ("Equity Fund") and DLJ Technology Long/Short Investors ("Commodity Fund"). Claimant also alleged the following claims with respect to Claimant's investments: 1) Fraud; 2) Negligence; 3) Breach of Contract; and 4) Breach of Fiduciary Duty. Claimant also alleged violation of NASD Rules of Conduct, including failure to supervise.

Respondents denied Claimant's allegations of wrongdoing and denied any liability to Claimant. Respondents also asserted affirmative defenses.

RELIEF REQUESTED

Claimant alleged that it has lost the \$50,000.00 invested in the Equity Fund; and has lost approximately \$75,000.00 of the \$250,000.00 invested in the Commodity Fund. Claimant also requested:

1. Rescission of purchase of the two subject hedge funds, together with interest at the legal rate from the date of purchase until this matter is concluded;
2. Reimbursement for the reasonable costs and fees in the prosecution of this claim, including filing fees, hearing session costs, expert witness fees and attorney's fees; and
3. Punitive and exemplary damages.

Respondents requested:

1. That Claimant's Statement of Claim be dismissed in its entirety and that Claimant be awarded nothing;
2. Costs of this proceeding, including all forum fees;
3. That the Panel recommend that a court order that all references to this matter in the regulatory records of Respondents, and each of them, be expunged; and
4. Such other relief as the Panel deems appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

On June 26, 2003, Claimant and Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators. Pursuant to the Code of Arbitration Procedure IM-10100 the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

Respondents did not file with NASD Dispute Resolution ("NASD-DR") properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the NASD-DR Code of Arbitration Procedure ("the Code") and, having answered the Claim, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

On or about July 23, 2004, the Panel reviewed and considered the positions of the parties relative to Respondents' Motion to Postpone Hearing. The Panel denied the Motion.

On or about August 2, 2004, the Panel reviewed and considered the positions of the parties relative to Respondents' Renewal of Motion to Postpone Hearing. The Panel denied the Motion.

At hearing, the Panel reviewed and considered the positions of the parties relative to Respondents' Motion to Dismiss. The panel denied the Motion.

The Panel also reviewed and considered the positions of the parties relative to Respondents' additional Motion to Postpone Hearing due to possible prejudice with respect to Claimant's request for monetary damages. The Panel denied the Motion with offer of additional hearing time on issue of damages if requested by Respondents. Respondents did not request additional hearing time.

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

After considering the pleadings, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) All claims by Claimant against Respondent CSFB are dismissed. All claims by Claimant against Respondents Christopher M. Laver and Scott C. Sorenson are dismissed. Arbitrator Herbert L. Brown dissents with respect to the Panel's ruling to dismiss Claimant's claims against Respondent CSFB and concurs with respect to the Panel's ruling to dismiss Claimant's claims against Respondents Christopher M. Laver and Scott C. Sorenson.
- 2) Claimant's claims for punitive and exemplary damages are denied.
- 3) The Panel unanimously recommends the expungement of all reference to the above captioned arbitration from Respondents Christopher M. Laver and Scott C. Sorenson'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, Respondents Christopher M. Laver and Scott C. Sorenson must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 4) Each party shall bear its own costs, including attorney's fees.
- 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 = \$300.00

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, CSFB is a party and the following fees are assessed:

Member Surcharge	= \$1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

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 @ \$1,125.00/session	= \$2,250.00
Pre-hearing conferences:	
November 19, 2003	1 session
July 23, 2004	1 session
(5) Hearing sessions @ \$1,125.00/session	= \$5,625.00
Hearing:	
August 9, 2004	2 sessions
August 10, 2004	2 sessions
August 11, 2004	1 session
Total Forum Fees	= \$7,875.00

The Panel assessed the \$7,875.00 in forum fees to Respondent CSFB.

Fee Summary

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

Initial Filing Fee	= \$ 300.00
<u>Less Payments</u>	<u>= \$ (1,425.00)</u>
Refund Due Claimant	= \$ (1,125.00)

2. Respondent CSFB is charged with the following fees and costs:

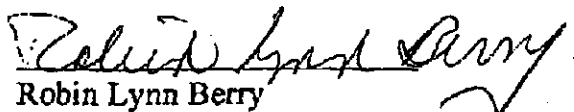
Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	<u>= \$ 7,875.00</u>
Total Fees	= \$13,075.00
<u>Less Payments</u>	<u>= \$(5,200.00)</u>
Balance Due NASD-DR	= \$ 7,875.00

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.

Robin Lynn Berry -
Joseph M. O'Connor, P.E. -
Herbert L. Brown -

Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures


Robin Lynn Berry
Chair, Public Arbitrator

8/18/04
Signature Date

Joseph M. O'Connor, P.E.
Public Arbitrator

Signature Date

Concurring in Part and Dissenting in Part Arbitrator's Signature

Herbert L. Brown
Non-Public Arbitrator

Signature Date

8/19/04
Date of Service

ARBITRATION PANEL

Robin Lynn Berry	-	Public Arbitrator, Presiding Chair
Joseph M. O'Connor, P.E.	-	Public Arbitrator
Herbert L. Brown	-	Non-Public Arbitrator

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Robin Lynn Berry
Chair, Public Arbitrator

Signature Date

Joseph M. O'Connor, P.E.
Public Arbitrator

Signature Date

Concurring in Part and Dissenting in Part Arbitrator's Signature



Herbert L. Brown
Non-Public Arbitrator

8-18-04
Signature Date

8/19/04
Date of Service

ARBITRATION PANEL

Robin Lynn Berry	-	Public Arbitrator, Presiding Chair
Joseph M. O'Connor, P.E.	-	Public Arbitrator
Herbert L. Brown	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Robin Lynn Berry
Chair, Public Arbitrator

Signature Date


Joseph M. O'Connor, P.E.
Public Arbitrator

8-25-04
Signature Date

Concurring in Part and Dissenting in Part Arbitrator's Signature

Herbert L. Brown
Non-Public Arbitrator

Signature Date

9/02/04
Date of Service