

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

David A. Tissue (Claimant) v. S.G. Cowen Securities Corp. and Lehman Brothers, Inc.
(Respondents)

Case Number: 03-05569

Hearing Site: Cleveland, Ohio

Nature of the Dispute: Customer vs. Members.

REPRESENTATION OF PARTIES

Claimant David A. Tissue ("Tissue") hereinafter referred to as "Claimant": Brian P. Biggins, Esq., Brian P. Biggins & Associates Co., L.P.A., Rocky River, OH.

Respondent S.G. Cowen Securities Corp. ("S.G. Cowen"): Lloyd S. Clareman, Esq., Lloyd S. Clareman, Attorney at Law, New York, NY. Previously represented by: P. Benjamin Duke, Esq. and Keith Lieberthal, Esq. Covington & Burling, New York, NY.

Respondent Lehman Brothers, Inc. ("Lehman"): Christopher M. Burky, Esq., Neal, Gerber & Eisenberg, LLP, Chicago, IL.

CASE INFORMATION

Statement of Claim filed on or about: July 25, 2003.

Opposition to Respondent S.G. Cowen's Motion to Dismiss filed on or about: December 8, 2003.

Claimant signed the Uniform Submission Agreement.

Answer and Motion to Dismiss filed by Respondent S.G. Cowen on or about: October 24, 2003.
Reply Memorandum in Further Support of its Motion to Dismiss the Statement of Claim filed by Respondent S.G. Cowen on or about: January 15, 2004.

Respondent S.G. Cowen signed the Uniform Submission Agreement: October 7, 2003.

Answer and Affirmative Defenses filed by Respondent Lehman on or about: October 24, 2003.
Respondent Lehman did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: negligence; breach of contract; breach of fiduciary duty; respondeat superior; failure to supervise; unsuitability; and omissions/misrepresentations. The causes of action relate to common stock, including but not limited to, Paradyne Networks, Inc.

Unless specifically admitted in its Answer, Respondent S.G. Cowen denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in its Answer, Respondent Lehman denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$307,467.00 from Respondent S.G. Cowen; compensatory damages in the amount of \$283,357.00 from Respondent Lehman; attorneys' fees; punitive damages; costs; lost interest; and any other remedy the Panel deems just and equitable.

Respondent S.G. Cowen requested that the Statement of Claim be dismissed in its entirety.

Respondent Lehman requested that the Statement of Claim be dismissed in its entirety; costs and attorneys' fees; and any other relief that the Panel deems fair and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Lehman 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.

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

1. Claimant's claims against Respondent Lehman are dismissed in their entirety.
2. Respondent S.G. Cowen is liable for and shall pay to Claimant compensatory damages of \$25,000.

3. 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 = \$375.00

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, S.G. Cowen Securities Corp. is a party.

Member surcharge = \$1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$2,750.00

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 = \$1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$2,750.00

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:

Two (2) Pre-hearing sessions with Panel @ \$1,200.00 = \$2,400.00

Pre-hearing conferences: January 5, 2004 1 session
February 24, 2004 1 session

Five (5) Hearing sessions @ \$1,200.00 = \$6,000.00

Hearing Dates: January 19, 2005 2 sessions
January 20, 2005 2 sessions
January 21, 2005 1 session

Total Forum Fees = \$8,400.00

1. The Panel has assessed \$2,800.00 of the forum fees against Claimant.
2. The Panel has assessed \$2,800.00 of the forum fees against Respondent Lehman.
3. The Panel has assessed \$2,800.00 of the forum fees against Respondent S.G. Cowen.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. Respondent Lehman requested copies of the hearing tapes = \$ 75.00

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	= \$ 2,800.00
Total Fees	= \$ 3,175.00
<u>Less payments</u>	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 1,600.00

2. Respondent S.G. Cowen is solely liable for:

Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	= \$ 2,800.00
Total Fees	= \$ 8,000.00
<u>Less payments</u>	= \$ 7,200.00
Balance Due NASD Dispute Resolution	= \$ 800.00

3. Respondent Lehman is solely liable for:

Member Fees	= \$ 5,200.00
Administrative Fees	= \$ 75.00
<u>Forum Fees</u>	= \$ 2,800.00
Total Fees	= \$ 8,075.00
<u>Less payments</u>	= \$10,450.00
Refund Due Respondent Lehman	= \$ 2,375.00

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

ARBITRATION PANEL

Michael L. King, J.D.	-	Public Arbitrator, Presiding Chairperson
Frank C. Fogl, Jr., Esq.	-	Public Arbitrator
Sandra J. Bakalus	-	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.

Michael L. King
Michael L. King, J.D.
Public Arbitrator, Presiding Chairperson

January 26, 2005
Signature Date

Frank C. Fogl, Jr., Esq.
Public Arbitrator

Signature Date

Sandra J. Bakalus
Non-Public Arbitrator

Signature Date

January 26, 2005

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL


Michael L. King, J.D.	-	Public Arbitrator, Presiding Chairperson
Frank C. Fogl, Jr., Esq.	-	Public Arbitrator
Sandra J. Bakalus	-	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.

Michael L. King, J.D.
Public Arbitrator, Presiding Chairperson

Signature Date



Frank C. Fogl, Jr., Esq.
Public Arbitrator

1/28/05

Signature Date

Sandra J. Bakalus
Non-Public Arbitrator

Signature Date

January 26, 2005

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Michael L. King, J.D.
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Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures


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Michael L. King, J.D.
Public Arbitrator, Presiding Chairperson

Signature Date

Frank C. Fogl, Jr., Esq.
Public Arbitrator

Signature Date


Sandra J. Bakalus
Non-Public Arbitrator


Signature Date

January 26, 2005

Date of Service (For NASD Dispute Resolution use only)

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:
Patricia Griffey, Claimant,

Case Number: - 03-05582

v.

Citigroup Global Markets, Inc., Citigroup, Inc.
and Michael E. Wilhelm,
Respondents.

Hearing Site: St. Louis, Missouri

NATURE OF THE DISPUTE

Customer vs. Member Firm, Non-Member Firm and Associated Person

REPRESENTATION OF PARTIES

Claimant, Patricia Griffey ("Griffey"), hereinafter referred to as "Claimant": Albert S. Watkins, Esq. of Kodner, Watkins, Muchnick, Dunne & Weigley located in Clayton, Missouri.

Respondents, Citigroup Global Markets ("Citigroup") and Michael E. Wilhelm ("Wilhelm"), hereinafter collectively referred to as "Respondents": William A. Hohauser, Esq. of Citigroup Global Markets, Inc., located in New York, New York.

Citigroup, Inc. did not file an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: July 28, 2003

Claimant Griffey signed the Uniform Submission Agreement: July 7, 2003

Statement of Answer jointly filed by Respondents, Citigroup Global and Wilhelm, on or about: November 3, 2003

Respondent Citigroup signed the Uniform Submission Agreement: November 3, 2003

Respondent Wilhelm did not submit a signed the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: negligence, failure to supervise, breach of fiduciary duty, misrepresentations, omission of facts and suitability. The causes of action relate to unspecified securities.

Unless specifically admitted in its Answer, Respondents Citigroup and Wilhelm denied the allegations made in the Statement of Claim and asserted the following defenses: ratification, laches, waiver, estoppel and failure to mitigate damages.

Respondent Citigroup, Inc. did not file with NASD Dispute Resolution a properly executed submission to arbitration, and is not an NASD member firm. As a result, NASD does not have jurisdiction over the claims asserted against Citigroup, Inc., and they were not adjudicated.

RELIEF REQUESTED

Claimants requested \$397,228.34 in compensatory damages, an additional \$397,229.34 in punitive damages, interest, attorneys' fees and for such other and further relief as Panel deems just and appropriate.

Respondents Citigroup and Wilhelm requested that the Statement of Claim be dismissed in its entirety, that they be awarded costs and fees, and that this arbitration matter be expunged from Respondent Wilhelm's CRD records maintained by NASD.

OTHER ISSUES CONSIDERED AND DECIDED

As part of settlement negotiations, Respondent Wilhelm was dismissed with prejudice. Therefore, the parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

Respondent Citigroup, Inc. did not file with NASD Dispute Resolution an executed submission to arbitration, and it is not an NASD member firm. As a result, NASD does not have jurisdiction over the claims asserted against Citigroup, Inc. and they were not adjudicated.

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

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) The listed parties have amenablely resolved their differences and have requested this Stipulated Award;
- 2.) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Michael E. Wilhelm's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Wilhelm must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 3.) Except as specified herein, the parties shall bear their respective costs, including attorneys' fees; and
- 4.) That any relief not specifically enumerated, including punitive damages is hereby denied with prejudice.

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 = \$ 375.00

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. In this matter, Citigroup Global Markets, Inc. is a party.

Member surcharge = \$2,250.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$4,000.00

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. Fees associated with these proceedings are:

One (1) Pre-hearing sessions x \$1,200.00 = \$1,200.00

Pre-hearing Date: March 23, 2004 1 session

Total Forum Fees = \$1,200.00

The parties have agreed to pay forum fees as follows:

Claimant Griffey shall solely pay \$600.00, or 50% of the total forum fees; and

Respondents Citigroup Global and Wilhelm shall jointly and severally pay \$600.00, or 50% of the total forum fees.

FEE SUMMARY

Claimant Griffey is hereby solely liable for:

Initial Filing Fee = \$ 375.00

Forum Fees = \$ 600.00

Total Fees = \$ 975.00

Less payments = \$1,575.00

Refund Due from NASD Dispute Resolution = \$ 600.00

Respondent Citigrou Global is hereby solely liable for:

Member Fees = \$7,000.00

Less payments = \$7,000.00

Balance Due NASD Dispute Resolution = \$ 0.00

Respondents, Citigroup Global and Wilhelm, are hereby jointly and severally liable for:

Forum Fees = \$ 600.00

Less payments = \$ 600.00

Balance Due NASD Dispute Resolution = \$ 0.00

All balances are due to NASD Dispute Resolution.

ARBITRATION PANEL

Keith E. Mattern, Esq.	-	Public Arbitrator, Presiding Chairperson
Gerald Cohen, Esq.	-	Public Arbitrator
David A. Fingerhut	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ Keith E. Matter, Esq.
Keith E. Mattern, Esq.
Public Arbitrator, Presiding Chair

5/16/05
Signature Date

/s/ Gerald Cohen, Esq.
Gerald Cohen, Esq.
Public Arbitrator

5/12/05
Signature Date

/s/ David A. Fingerhut
David A. Fingerhut
Non-Public Arbitrator

5/13/05
Signature Date

5/16/05
Date of Service (For NASD office use only)

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ARBITRATION PANEL

Keith E. Mattem, Esq.	-	Public Arbitrator, Presiding Chairperson
Gerald Cohen, Esq.	-	Public Arbitrator
David A. Fingerhut	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Keith E. Mattem, Esq.
Public Arbitrator, Presiding Chair



Signature Date

Gerald Cohen, Esq.
Public Arbitrator

Signature Date

David A. Fingerhut
Non-Public Arbitrator

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NASD Dispute Resolution
Arbitration 03-05582
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David A. Fingerhut	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

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Gerald Cohen, Esq.
Public Arbitrator

Signature Date



Signature Date

David A. Fingerhut
Non-Public Arbitrator

Signature Date

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Public Arbitrator, Presiding Chair

Signature Date

Gerald Cohen, Esq.
Public Arbitrator

Signature Date

David A. Fingerhut

David A. Fingerhut
Non-Public Arbitrator

5-13-05

Signature Date

Date of Service (For NASD office use only)