

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Woods Hole Endowment Fund and Trustees of the Retirement Trust For Employees of Woods Hole Oceanographic Institution (Claimants) vs. Lipper Holdings, LLC, Lipper & Company L.P., Kenneth Lipper, Abraham Biderman and Edward Strafaci (Respondents)

Case Number: 04-0933

Hearing Site: Boston, Massachusetts.

Nature of the Dispute: Customer vs. Terminated Member, Non-Member and Associated Persons

REPRESENTATION OF PARTIES

Woods Hole Endowment Fund ("Woods Endowment") and Trustees of the Retirement Trust for Employees of Woods Hole Oceanographic Institution ("Woods Trustees") hereinafter collectively referred to as ("Claimants"): Steven H. Townsend, Esq., and Anthony S. Fiotto, Esq., Goodwin Procter, LLP Boston, MA.

Lipper Holdings, LLC ("Lipper Holdings") and Lipper & Company, L.P. ("Lipper L.P.") hereinafter collectively referred to as ("Lipper Respondents"): Alan P. Gardner, Esq., Bennett Jones, LLP, Toronto, Ontario, Canada. Previously represented by Jonathan M. Hoff, Esq. Cadwalader, Wickersham & Taft LLP, New York, NY.

Kenneth Lipper hereinafter referred to as ("K. Lipper"): Elkan Abramowitz, Esq. Morvillo, Abramowitz, Grand, Iason & Silberberg, P.C. New York, NY.

Abraham Biderman hereinafter referred to as ("A. Biderman"): Sheldon H. Elsen, Esq. Orans, Elsen & Lupert LLP New York, NY.

Edward Strafaci hereinafter referred to as ("Strafaci"): David M. Levy, Esq. Previously represented by Scott A. Simon, Esq. Levy & Boonshoft, P.C. New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: February 12, 2004.

Claimant Woods Endowment signed the Uniform Submission Agreement: February 6, 2004.

Claimant Woods Trustees signed the Uniform Submission Agreement: February 6, 2004.

Opposition to Motion to Dismiss and Motion to Change Venue filed on or about: July 12, 2004.

Statement of Answer and Motion to Dismiss and Motion to Change Venue filed by Respondents Lipper Holdings, Lipper L.P., K. Lipper and A. Biderman on or about: May 11, 2004.

Respondent Lipper Holdings signed the Uniform Submission Agreement: May 11, 2004.

Respondent Lipper, L.P. signed the Uniform Submission Agreement.

Respondent K. Lipper signed the Uniform Submission Agreement: May 11, 2004.

Motion to Dismiss and Statement of Answer filed by Respondent A. Biderman on or about: May 11, 2004.

Respondent A. Biderman signed the Uniform Submission Agreement: May 7, 2004.

Statement of Answer filed by Respondent Strafaci on or about: May 11, 2004.

Respondent Strafaci signed the Uniform Submission Agreement: May 11, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; negligence; failure to supervise; breach of fiduciary duty; negligent misrepresentation/non-disclosure; omission of facts; fraud/Holding Claim; violation of Massachusetts General Law Ch. 110A §410; unjust enrichment; and conspiracy.

Unless specifically admitted in their Answer, Respondents Lipper Holdings, Lipper L.P., K. Lipper and A. Biderman denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

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

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

RELIEF REQUESTED

Claimants requested that the Arbitrators award the Claimants damages incurred and suffered as a result of the Respondents' actions in an amount in excess of \$5,000,000.00, punitive damages, interest, costs and attorneys' fees.

Respondents Lipper Holdings, Lipper L.P., K. Lipper and A. Biderman requested that Claimants' claims be dismissed.

Respondent Strafaci requested that the Panel enter an award dismissing the statement of claim in its entirety and for such other and further relief that it may deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Lipper L.P. 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, appeared and testified at the hearing is bound by the determination of the Panel on all issues submitted.

At the hearing, the Lipper Respondents filed a Motion in Limine to limit Claimants' recoverable damages. After due deliberation, the Panel denied the Motion.

At the hearing, Respondents filed a Motion for a Directed Verdict. After due deliberation, The Panel granted the Motion for all claims other than claims arising out of or relating to the March 13, 2001 meeting, including all of Counts VII and VIII and all claims against Lipper & Co., LP. The Motion was otherwise denied.

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, 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. Respondents Lipper Holdings, LLC and Edward Strafaci are liable for and shall pay to Claimants compensatory damages in the amount on \$960,000.00 plus interest at the rate of six percent per annum from the date of the award until the award is paid.
2. 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 = \$ 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 persons at the time of the events giving rise to the dispute. Accordingly, Lipper L.P. is a party.

Member surcharge = \$ 2,800.00

Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

June 22, 23 & 24, July 19, 20 & 21, 2005, adjournment by K. Lipper	= \$ 1,200.00
November 1, 2, 3 & 4, 2005 adjournment by A. Biderman	= \$ 1,200.00

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:

Four (4) Pre-hearing sessions with a single arbitrator @ 450.00	= \$ 1,800.00
Pre-hearing conferences:	
March 2, 2005	1 session
April 26, 2005	1 session
July 15, 2005	1 session
September 28, 2005	1 session

Three (3) Pre-hearing sessions with Panel @ \$1,200.00 per session	= \$ 3,600.00
Pre-hearing conferences:	
January 4, 2005	1 session
February 18, 2005	1 session
February 2, 2006	1 session

Sixteen (16) Hearing sessions @ \$1,200.00 per session	= \$19,200.00
Hearing Dates:	
November 7, 2005	2 sessions
November 8, 2005	2 sessions
November 9, 2005	2 sessions
November 16, 2005	2 sessions
November 17, 2005	2 sessions
November 18, 2005	2 sessions
February 27, 2006	2 sessions
February 28, 2006	2 sessions

Total Forum Fees	= \$24,600.00
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1. The Panel has assessed \$12,300.00 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$12,300.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimants Woods Endowment and Woods Trustees are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$12,300.00
Total Fees	= \$12,900.00
Less payments	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$11,100.00

2. Respondent Lipper L.P. is solely liable for:

Member Fee	= \$ 8,550.00
Total Fees	= \$ 8,550.00
Less payments	= \$ 750.00
Balance Due NASD Dispute Resolution	= \$ 7,800.00

3. Respondent K. Lipper is solely liable for:

Adjournment Fee	= \$ 1,200.00
Total Fees	= \$ 1,200.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,200.00

4. Respondent Biderman is solely liable for:

Adjournment Fee	= \$ 1,200.00
Total Fees	= \$ 1,200.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,200.00

5. Respondents are jointly and severally liable for:

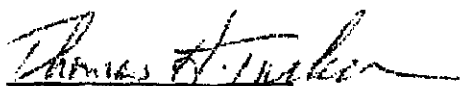
Forum Fees	= \$12,300.00
Total Fees	= \$12,300.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$12,300.00

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

ARBITRATION PANEL

Thomas H. Tucker, Esq.	- Public Arbitrator, Presiding Chairperson
Arthur J. Giacomarra, Esq.	- Public Arbitrator
Paul G. Cuomo	- Non-Public Arbitrator

Concurring Arbitrators' Signatures



Thomas H. Tucker, Esq.
Public Arbitrator, Presiding Chairperson

4/5/06
Signature Date

Arthur J. Giacomarra, Esq.
Public Arbitrator

Signature Date

Paul G. Cuomo
Non-Public Arbitrator

Signature Date

April 7, 2006
Date of Service (For NASD Dispute Resolution use only)

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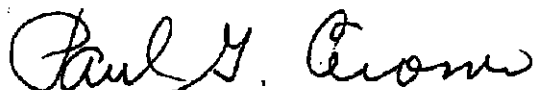
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