

Award
NASD Dispute Resolution

COPY

In the Matter of the Arbitration Between:

Michael L. Peterson, Claimant v. Goldman, Sachs & Co., Respondent

Case Number: 04-02057

Hearing Site: San Francisco, California

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant:

Rodney J. Heggy, Esq.
Federman & Sherwood
Oklahoma City, Oklahoma

For Respondent:

Nicole Barrett
Sullivan & Cromwell LLP
New York, New York

CASE INFORMATION

Statement of Claim filed: March 25, 2004

Claimant's Objection to Motion to Decline Jurisdiction filed: May 27, 2004

Supplemental Authorities regarding Motion to Decline Jurisdiction filed by Claimant: August 17, 2004

Claimant's Second Brief Regarding NASD Jurisdiction filed: October 12, 2004

Claimant's Uniform Submission Agreement filed: March 25, 2004

Statement of Answer filed by Respondent Goldman, Sachs & Co. ("Goldman Sachs"): July 12, 2004

Respondent's Motion to Decline Jurisdiction filed: May 7, 2004

Respondent's Supplemental Memorandum in support of Motion to Decline Jurisdiction filed: November 5, 2004

CASE SUMMARY

Claimant alleged breach of contract and violation of the public policy of the state of California, involving Respondent's failure to deliver Claimant's stock in Goldman, Sachs & Co. or the cash equivalent.

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

RELIEF REQUESTED

Claimant requested \$1,100,000.00 in compensatory damages, attorney fees, costs, interest, and such other relief the Panel deems just and equitable.

Respondent requested dismissal of Claimant's Claim and such additional relief as is appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

On April 15, 2004, 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.

Respondent Goldman Sachs did not file with NASD Dispute Resolution ("NASD-DR") a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD-DR Code of Arbitration Procedure ("the Code") and, having answered Claimant's Claim, appeared during the phone conference held November 11, 2004, is bound by the determination of the Panel on all issues submitted.

On or about June 4, 2004, NASD-DR reviewed and considered the positions of the parties relative to Respondent's Motion to Decline Jurisdiction and advised the parties that the motion to decline the forum and Claimant's opposition present both factual and legal issues that the panel of arbitrators must decide, rather than the Director of Arbitration pursuant to Rule 10301(b) of the Code and that the motion to decline would be referred to the panel appointed to hear this matter.

The Panel 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 arguments presented by Counsel during the phone conference held November 11, 2004, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. A majority of the Panel (two to one) granted Respondent's motion to decline jurisdiction to permit the filing of this case with the New York Stock Exchange, without prejudice to Claimant re-filing this case with NASD-DR if the hearing before the New York Stock Exchange cannot take place in California.
2. Each party shall bear its own costs, including attorney's fees.
3. 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, Goldman Sachs 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 conferences: September 28, 2004	1 session
November 11, 2004	1 session

Total Forum Fees	= \$2,400.00
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The Panel assessed the \$2,400.00 in forum fees to Respondent.

Fee Summary

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

Initial Filing Fee	= \$ 500.00
<u>Less Payments</u>	<u>= \$ (1,700.00)</u>
Refund Due Claimant	= \$ (1,200.00)

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

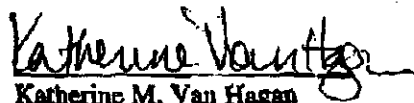
Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	<u>= \$ 2,400.00</u>
Total Fees	= \$10,950.00
<u>Less Payments</u>	<u>= \$(3,550.00)</u>
Balance Due NASD-DR	= \$ 7,400.00

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.

ARBITRATION PANEL

Elmo E. Wedderburn	-	Non-Public Arbitrator, Presiding Chair
Katherine M. Van Hagan	-	Non-Public Arbitrator
Thomas Richard Delaney, II	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Katherine M. Van Hagan
Non-Public Arbitrator

11/12/04
Signature Date

Thomas Richard Delaney, II
Non-Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

Elmo E. Wedderburn
Chair, Non-Public Arbitrator

Signature Date

11/16/04
Date of Service


ARBITRATION PANEL

Elmo E. Wedderburn	-	Non-Public Arbitrator, Presiding Chair
Katherine M. Van Hagan	-	Non-Public Arbitrator
Thomas Richard Delaney, II	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Katherine M. Van Hagan
Non-Public Arbitrator

Signature Date



Thomas Richard Delaney, II
Non-Public Arbitrator

11/15/04

Signature Date

Dissenting Arbitrator's Signature

Elmo E. Wedderburn
Chair, Non-Public Arbitrator

Signature Date

11/16/04

Date of Service

ARBITRATION PANEL

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Concurring Arbitrators' Signatures

Katherine M. Van Hagan
Non-Public Arbitrator

Signature Date

Thomas Richard Delaney, II
Non-Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature



Elmo E. Wedderburn
Chair, Non-Public Arbitrator

11/13/04

Signature Date

11/16/04

Date of Service