
**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant
Wesley Howard

Case Number: 04-04051

Name of the Respondents
Lehman Brothers, Inc., SG Cowen Securities Company
and John Michael Leonard

Hearing Site: Chicago, Illinois

Nature of the Dispute: Customer vs. Member Firms and Associated Person

REPRESENTATION OF PARTIES

Wesley Howard ("Howard") referred to as "Claimant": Sandor Grossman, Esq. of Chicago, Illinois and Andrew Stoltmann, Esq. of Stoltmann Law Offices in Chicago, Illinois.

Lehman Brothers, Inc. ("Lehman"), hereinafter referred to as "Respondent": Steven B. Varrick, Esq. of Holland & Knight in Chicago, Illinois.

SG Cowen Securities Company ("Cowen"), hereinafter referred to as "Respondent": Lloyd S. Clareman, Esq. of New York, New York.

John Michael Leonard ("Leonard"), hereinafter referred to as "Respondent": Michael I. Leonard of Meckler Bulger & Tilson, LLP of Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on or about June 8, 2004. Claimant signed the Uniform Submission Agreement on June 5, 2004. Claimant's Response to Respondents' Motion to Dismiss was filed on May 9, 2005.

Respondent Lehman did not file a Statement of Answer or a signed Uniform Submission Agreement.

Respondent Cowen filed a Motion to Dismiss on September 3, 2004. In a letter dated September 20, 2004, Cowen requested that its Motion to Dismiss should be regarded as its Statement of Answer to the Statement of Claim. Cowen also filed a Reply Memorandum in Support of its Motion to Dismiss on May 16, 2005. Cowen signed the Uniform Submission Agreement on July 21, 2004.

Respondent Leonard filed a Statement of Answer on or about August 2, 2004. Leonard signed the Uniform Submission Agreement on July 24, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability, negligence, misrepresentation and omissions, failure to supervise, unauthorized transactions, breach of contract, constructive fraud, breach of fiduciary duty, common law fraud and excessive trading. The causes of action relate to the purchase and sale of unspecified securities.

Unless specifically admitted in its Answer, Respondent Leonard denied the allegations the made in the Statement of Claim and asserted that Claimant has no basis to substantiate the actual damages sought in the Statement of Claim.

RELIEF REQUESTED

Claimant requested 100,000.00 in compensatory damages; punitive damages; costs and attorney's fees; disgorgement of commissions generated by the trading activity; and interest.

Respondents Cowen and Leonard requested that the claims asserted against them be denied in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent, Lehman Brothers, Inc. did not file with NASD Dispute Resolution, a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code.

On January 27, 2005, Claimant dismissed Respondent Lehman Brothers, Inc. with prejudice from matter.

A pre-hearing conference was held on August 4, 2005 to hear arguments on Respondent Cowen's Motion to Dismiss. Respondent Leonard joined in that motion and orally moved for dismissal of all claims brought against him in this matter. After having reviewed the pleadings filed by the parties and hearing the parties' oral arguments, the Panel entered an Order dated August 4, 2005 and granted Respondents' motion to dismiss.

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. Any and all claims asserted by Claimant, Wesley Howard, against Respondents SG Cowen Securities Company and John Leonard are dismissed with prejudice in accordance with the NASD Code of Arbitration Procedure, Section 10304; and without any adjudication, in whole or in part, of any claim alleged or any defense asserted.
2. Except as otherwise specified herein, parties shall bear their own costs, including attorneys' fees.
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 = \$ 225.00
(waived by NASD)

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, SG Cowen Securities Company and Lehman Brothers, Inc. are parties to this proceeding and were both assessed the following fees:

SG Cowen Securities Company:

Member surcharge = \$1,100.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$1,700.00

Lehman Brothers, Inc.:

Member Surcharge = \$1,100.00
Pre-hearing process fee = \$ 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 (1) Pre-hearing session with Panel @ \$750.00 = \$1,500.00

Pre-hearing conferences: April 18, 2005 1 session
August 4, 2005 1 session

Total Forum Fees = \$1,500.00

1. The Panel assessed 100% of the total forum fees in the amount of \$1,500.00 solely to Claimant Wesley Howard.

SEE SUMMARY

1. Claimant, Wesley Howard, is solely liable for:

Forum Fees = \$1,500.00
Less payments = \$ 0.00
Balance Due NASD Dispute Resolution = \$1,500.00

2. Respondent, SG Cowen Securities Company, is solely liable for:

Member Fees = \$3,550.00
Less payments = \$3,550.00
Balance Due NASD Dispute Resolution = \$ 0.00

3. Respondent, Lehman Brothers, Inc. is solely liable for:

Member Fees	= \$1,850.00
<u>Less payments</u>	<u>= \$1,850.00</u>
Balance Due from NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Larry Carlson, Esq.	-	Public Arbitrator, Presiding Chairperson
John J. Enright, Esq.	-	Public Arbitrator
John E. Sundeen	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

<u>/s/ Larry Carlson, Esq.</u>	<u>10/27/05</u>
Larry Carlson, Esq.	Signature Date
Public Arbitrator, Presiding Chairperson	

<u>/s/ John J. Enright, Esq.</u>	<u>10/27/05</u>
John J. Enright, Esq.	Signature Date
Public Arbitrator	

<u>/s/ John E. Sundeen</u>	<u>10/31/05</u>
John E. Sundeen	Signature Date
Non-Public Arbitrator	

10/27/05
Date of Service (For NASD Dispute Resolution office use only)

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3. Respondent, Lehman Brothers, Inc. is solely liable for:

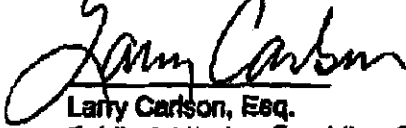
Member Fees	= \$1,850.00
Less payments	= \$1,850.00
Balance Due from NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Larry Carlson, Esq.	-	Public Arbitrator, Presiding Chairperson
John J. Enright, Esq.	-	Public Arbitrator
John E. Sundeen	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Larry Carlson, Esq.
Public Arbitrator, Presiding Chairperson

10-27-05
Signature Date

John J. Enright, Esq.
Public Arbitrator

Signature Date

John E. Sundeen
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

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OCT 28 2005

3. Respondent, Lehman Brothers, Inc. is solely liable for:
Member Fees
Less payments
Refund Due from NASD Dispute Resolution

= \$1,850.00
= \$2,950.00
= \$1,100.00

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

ARBITRATION PANEL

Larry Carlson, Esq.	-	Public Arbitrator, Presiding Chairperson
John J. Enright, Esq.	-	Public Arbitrator
John E. Sundeen	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Larry Carlson, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


John J. Enright, Esq.
Public Arbitrator

OCT 27, 2005
Signature Date

John E. Sundeen
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

3. Respondent, Lehman Brothers, Inc. is solely liable for:

Member Fees	= \$1,850.00
<u>Less payments</u>	<u>= \$1,850.00</u>
Balance Due from NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Larry Carlson, Esq.	-	Public Arbitrator, Presiding Chairperson
John J. Enright, Esq.	-	Public Arbitrator
John E. Sundeen	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Larry Carlson, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

John J. Enright, Esq.
Public Arbitrator

Signature Date


John E. Sundeen
Non-Public Arbitrator

10/31/05
Signature Date

Date of Service (For NASD Dispute Resolution office use only)