

**Award**  
**NASD Dispute Resolution**

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*In the Matter of the Arbitration Between:*

Vincent Lupo Jr. (Claimant) v. Neuberger Berman, LLC, Neuberger Berman Inc. and Lehman Brothers Holdings, Inc. (Respondents)

Case Number: 04-04922

Hearing Site: New York City, New York

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Nature of the Dispute: Associated Person v. Members and Non-Member

**REPRESENTATION OF PARTIES**

Claimant Vincent Lupo Jr. ("Lupo") hereinafter referred to as "Claimant": Andrew S. O'Connor, Esq., Law Office of Andrew S. O'Connor, Larchmont, NY.

Respondents Neuberger Berman, LLC ("Neuberger LLC"), Neuberger Berman Inc. ("Neuberger Inc."), and Lehman Brothers Holdings, Inc. ("Lehman") hereinafter collectively referred to as "Respondents": Victor A. Machcinski, Esq., Krebsbach & Snyder, New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: July 8, 2004.

Claimant signed the Uniform Submission Agreement: June 20, 2004.

Joint Statement of Answer filed by Respondents Neuberger LLC, Neuberger Inc., and Lehman on or about: January 17, 2005.

Respondent Neuberger LLC signed the Uniform Submission Agreement: January 26, 2005

Respondent Neuberger Inc. signed the Uniform Submission Agreement: January 26, 2005.

Respondent Lehman signed the Uniform Submission Agreement: January 19, 2004.

**CASE SUMMARY**

Claimant asserted the following causes of action: compensation and breach of contract of the Neuberger Berman Long-Term Incentive Plan and Neuberger Bergman Wealth Accumulation Plan.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimant requested *compensatory damages in the amount of \$23,734.49 and compensatory damages in the amount of \$81,063.10*, which includes the issuance of 1,186 unrestricted shares of common stock of Respondent Lehman.

Respondents Neuberger LLC, Neuberger Inc., and Lehman requested that the Statement of Claim be, in all respects, dismissed, and Respondents be awarded their fees, expenses, including forum fees, and all other costs of this proceeding.

### **OTHER ISSUES CONSIDERED AND DECIDED**

At the conclusion of the presentation of Claimant's case, Respondents filed a Motion to Dismiss. After due consideration, the Panel granted said Motion.

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. Claimant's claims are denied in their entirety.
2. Any and all relief not specifically addressed herein, 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	= \$ 300.00
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#### **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, Neuberger Berman, LLC is a party.

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

**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, Lehman Brothers Holdings, 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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: September 6, 2005 1 session	

One (1) Pre-hearing session with Panel @ \$1,125.00	= \$ 1,125.00
Pre-hearing conference: April 6, 2005 1 session	

Two (2) Hearing sessions @ \$1,125.00	= \$ 2,250.00
Hearing Dates: November 15, 2005 2 sessions	

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Total Forum Fees	= \$ 3,825.00
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1. The Panel has assessed \$1912.50 of the forum fees to Claimant.
2. The Panel has assessed \$1912.50 of the forum fees jointly and severally to Respondents.

**Fee Summary**

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 1,912.50
Total Fees	= \$ 2,212.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 787.50

2. Respondent Neuberger LLC is solely liable for:

Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,200.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondent Lehman is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$11,487.50
<u>Refund Due Lehman</u>	= \$ 6,287.50

4. Respondents Neuberger LLL, Neuberger Inc., and Lehman are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 1,912.50
<u>Total Fees</u>	= \$ 1,912.50
<u>Less payments</u>	= \$ 1,912.50
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

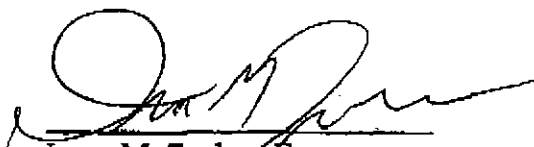
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

Isaac M. Zucker, Esq.	-	Non-Public Arbitrator, Presiding Chairperson
Daniel F. Morrissey	-	Non-Public Arbitrator
Christine Costigan	-	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.

  
\_\_\_\_\_  
Isaac M. Zucker, Esq.  
Non-Public Arbitrator, Presiding Chairperson

11/21/05  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Daniel F. Morrissey  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Christine Costigan  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

**November 22, 2005**

\_\_\_\_\_  
Date of Service (For NASD Dispute Resolution use only)

**ARBITRATION PANEL**

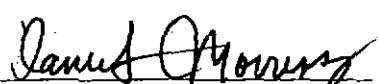
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Non-Public Arbitrator

11-17-05  
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Signature Date

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Daniel F. Morrissey  
Non-Public Arbitrator

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Signature Date

  
Christine Costigan  
Non-Public Arbitrator

11/18/05  
Signature Date

**November 22, 2005**

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