

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Southfield Investors Limited Partnership v. Jeffrey Goldenberg and Josephine Linden

Case Number: 04-06036

Hearing Site: New York, New York

Nature of the Dispute: Customer v. Associated Persons.

REPRESENTATION OF PARTIES

Claimant Southfield Investors Limited Partnership ("Southfield") hereinafter referred to as "Claimant": Harvey J. Kesner, Esq., Olshan Grundman Frome Rosenzweig & Wolosky, LLP, New York, NY.

Respondents Jeffrey Goldenberg ("Goldenberg") and Josephine Linden ("Linden") hereinafter collectively referred to as "Respondents": Michael J. Dell, Esq., Kramer Levin Naftalis & Frankel, LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: November 14, 2002.

Amended Statement of Claim filed on or about: June 28, 2004.

Claimant signed the Uniform Submission Agreement: November 13, 2002.

Joint Statement of Answer filed by Respondents on or about: September 30, 2003.

Respondent Goldenberg signed the Uniform Submission Agreement: September 10, 2003.

Respondent Linden signed the Uniform Submission Agreement: September 16, 2003.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: unsuitability; material misrepresentations; unauthorized trading; breach of fiduciary duty and negligence; failure to supervise; and violation of the Martin Act and state law. Claimant's claim involved shares of common stock, warrants, preferred stock, and other unspecified securities.

In the Amended Statement of Claim, Claimant asserted the following causes of action: breach of fiduciary duty; negligence; unsuitability; breach of contract – implied covenant of good faith and fair dealing; securities fraud; common law fraud; and negligent

misrepresentation. Claimant's claim involved shares of common stock, warrants, preferred stock, and other unspecified securities.

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

RELIEF REQUESTED

In the Statement of Claim, Claimant requested compensatory damages in the amount of \$36,401,611.00; attorneys' fees; filing fees; costs; expenses; punitive damages; and such other relief as the Arbitrators deem just and appropriate.

In the Amended Statement of Claim, Claimant requested compensatory damages in the amount of \$7,409,122.66; interest; costs; fees; expenses; attorneys' fees; punitive damages; and such other relief as the Arbitrators deem just and appropriate.

Respondents requested that an award be entered dismissing all of the claims alleged in the Statement of Claim; costs; expungement of this claim from the records of Respondents Goldenberg and Linden; and such other and further relief as the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

On or about November 14, 2002, Claimant filed a Statement of Claim against Goldman Sachs & Co., Goldman Sachs Asset Management, Goldman Sachs Funds Management, Goldman Sachs International Limited, Goldman Sachs Asset Management International, Goldman Sachs Asset Management Japan Limited, Jack H. Hayflick, Richard M. Sincerbeaux, Bobbie M. Rothberger, Jeffrey Goldenberg, and Josephine Linden and was assigned Arbitration Number 02-06961.

In response to Respondents' Motion to Dismiss the Statement of Claim, Claimant advised the Panel, by letter dated June 11, that it intended to amend its Statement of Claim and that it withdraws its claims against Respondents Goldenberg and Linden. On or about June 28, 2004, Claimant filed an Amended Statement of Claim that does not name Goldenberg and Linden as Respondents.

On or about August 10, 2004, the Panel notified NASD Dispute Resolution that the award for expungement was granted and this Award was to be entered.

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 Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Jeffrey Goldenberg's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Goldenberg must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Josephine Linden's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Linden must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
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	= \$250.00
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Fee Summary

1. Respondents are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$250.00
Total Fees	= \$250.00
<u>Less payments</u>	= \$250.00
Balance Due 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

Harry Reicher, Esq.	-	Public Arbitrator, Presiding Chairperson
Richard P. Gitter, Esq.	-	Public Arbitrator
Amy Y. Moy	-	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 in which is my award.



Harry Reicher, Esq.
Public Arbitrator, Presiding Chairperson

OCT 12 04

Signature Date

Richard P. Gitter, Esq.
Public Arbitrator

Signature Date

Amy Y. Moy
Non-Public Arbitrator

Signature Date

October 14, 2004

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Harry Reicher, Esq.	-	Public Arbitrator, Presiding Chairperson
Richard P. Gitter, Esq.	-	Public Arbitrator
Amy Y. Moy	-	Non-Public Arbitrator

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Harry Reicher, Esq.
Public Arbitrator, Presiding Chairperson



Richard P. Gitter, Esq.
Public Arbitrator

Signature Date



Signature Date

Amy Y. Moy
Non-Public Arbitrator

Signature Date

October 14, 2004

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Harry Reicher, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Richard P. Gitter, Esq.
Public Arbitrator

Signature Date


Amy Y. Moy
Non-Public Arbitrator

9/1/04
Signature Date

October 14, 2004

Date of Service (For NASD Dispute Resolution use only)