

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Stephen Pugliese (Claimant) vs. Spear, Leeds & Kellogg, L.P./Goldman Sachs Execution & Clearing, L.P., and Goldman Sachs & Co. (Respondents)

Case Number: 05-00427

Hearing Site: New York, New York

Nature of the Dispute: Associated Person vs. Members

REPRESENTATION OF PARTIES

Claimant Stephen Pugliese hereinafter referred to as "Claimant": David M. Fish, Esq. Previously represented by Christopher P. Edelson, Esq., Chao & Edelson, L.L.C. New York, NY.

Respondents Spear Leeds & Kellogg, L.P./Goldman Sachs Execution & Clearing, L.P., ("Spear Leeds") and Goldman, Sachs & Co. ("Goldman Sachs") hereinafter collectively referred to as "Respondents": Gerald Kuppusamy, Esq., and Robin D. Fessel, Esq., Sullivan & Cromwell LLP New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: January 25, 2005.

Claimant signed the Uniform Submission Agreement: January 18, 2005.

Joint Statement of Answer filed by Respondents on or about: March 21, 2005.

Respondent Spear, Leeds did not sign the Uniform Submission Agreement.

Respondent Goldman Sachs did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: libel/defamation, breach of implied contract, violation of New York labor law, and quantum meruit.

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 \$1,000,000.00, punitive damages in the amount of \$500,000.00, amendment or expungement of Form U-5; costs, including filing and forum fees and attorneys' fees.

Respondents requested that Claimant's claims are without merit and should be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Spear Leeds and Goldman Sachs did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but are required to submit to arbitration pursuant to the Code and having answered the claim, appeared and testified at the hearing are bound by the determination of the Panel on all issues submitted.

The parties 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 for damages are denied in their entirety.
2. The Panel recommends that the reason for termination (i.e., "other") and accompanying termination comment (i.e., "Failure to follow firm policies regarding confidential information - employee improperly shared certain information on firm trading positions. No customer complaint or regulatory issue involved.") reported in Section 3 of the Form U-5 filed with CRD by Respondent Goldman Sachs Execution & Clearing, LP (CRD #3466; formerly Spears, Leeds & Kellogg, LP) on behalf of Claimant Stephen J. Pugliese (CRD #4364847) be expunged. The reason for termination should be "voluntary".

The Panel recommends the expungement of all reference to the above-captioned registration records from Claimant Pugliese's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that Claimant Pugliese must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.

3. Respondent Spear Leeds shall reimburse Claimant the sum of \$500.00, to reimburse Claimant for the filing fee previously paid to NASD Dispute Resolution
4. 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	= \$ 500.00
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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, Spear, Leeds & Kellogg and Goldman Sachs & Co. are parties.

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	= \$ 5,000.00
Total Member fees	= \$ 8,550.00

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:

One (1) Pre-hearing session with Panel @ \$1,200.00 per session = \$ 1,200.00
Pre-hearing conference: July 11, 2005 1 session

Four (4) Hearing sessions @ \$1,200.00 per session = \$ 4,800.00
Hearing Dates: December 12, 2005 2 sessions
December 15, 2005 2 sessions

Total Forum Fees = \$ 6,000.00

1. The Panel has assessed \$3,000.00 of the forum fees to Respondent Spear Leads.
2. The Panel has assessed \$3,000.00 of the forum fees to Respondent Goldman Sachs.

Fee Summary

1. Claimant is solely liable for:

<u>Initial Filing Fee</u>	= \$ 500.00
Total Fees	= \$ 500.00
<u>Less payments</u>	= \$ 1,700.00
Refund Due Claimant	= \$ 1,200.00

2. Respondent Spear Leeds is solely liable for:

Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	= \$ 3,000.00
Total Fees	= \$ 11,550.00
<u>Less payments</u>	= \$ 3,550.00
Balance Due NASD Dispute Resolution	= \$ 8,000.00

3. Respondent Goldman Sachs is solely liable for:

Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	= \$ 3,000.00
Total Fees	= \$ 11,550.00
<u>Less payments</u>	= \$ 10,600.00
Balance Due NASD Dispute Resolution	= \$ 950.00


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

ARBITRATION PANEL

Louis H. Miron, Esq.	- Public/Non-Public Arbitrator, Presiding Chairperson
David E. Robbins, Esq.	- Public Arbitrator
Harry D. Frisch, Esq.	- Non-Public Arbitrator

Consenting 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.



Louis H. Miron, Esq.
Public Arbitrator, Presiding Chairperson

12-6-06

Signature Date

David E. Robbins, Esq.
Public Arbitrator

Signature Date

Harry D. Frisch, Esq.
Non-Public Arbitrator

Signature Date

JANUARY 6, 2006
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Louis H. Miron, Esq.
David E. Robbins, Esq.
Harry D. Frisch, Esq.

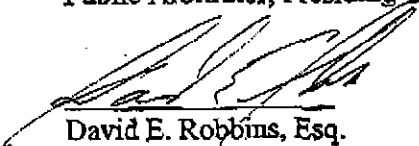
- Public/Non-Public Arbitrator, Presiding Chairperson
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures

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Louis H. Miron, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



David E. Robbins, Esq.
Public Arbitrator

1/5/06

Signature Date

Harry D. Frisch, Esq.
Non-Public Arbitrator

Signature Date

JANUARY 6, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Louis H. Miron, Esq.

David E. Robbins, Esq.

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Louis H. Miron, Esq.

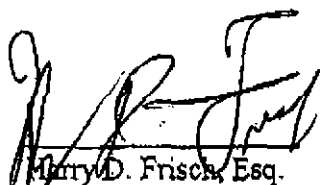
Public Arbitrator, Presiding Chairperson

Signature Date

David E. Robbins, Esq.

Public Arbitrator

Signature Date


Harry D. Frisch, Esq.

Non-Public Arbitrator

01/09/2006
Signature Date

Date of Service (For NASD Dispute Resolution use only)