

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Willie Mae Deas, individually,
and as custodian of her IRA

Case Number: 05-02458

Names of the Respondents

Oppenheimer & Co., Inc., f/k/a
Fahnestock & Co., Inc., f/k/a
Josephthal & Co., Inc. and
Eric Cofer

Hearing Site: Atlanta, Georgia

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

REPRESENTATION OF PARTIES

For Willie Mae Deas, individually, and as custodian of her IRA, hereinafter referred to as "Claimant": Robert C. Hagler, Esq., Fulcher Hagler LLP, Augusta, Georgia.

For Oppenheimer & Co., Inc, f/k/a Fahnestock & Co., Inc., f/k/a Josephthal & Co., Inc. ("Oppenheimer") and Eric Cofer ("Cofer"), hereinafter collectively referred to as "Respondents": Edward J. Boyle, Esq., Wilson, Elser, Moskowitz, Edelman & Dicker LLP, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: May 6, 2005.

Claimant signed the Uniform Submission Agreement: April 27, 2005.

Statement of Answer and Motion to Dismiss filed by Respondents on or about: July 29, 2005.

Respondent Oppenheimer signed the Uniform Submission Agreement: August 5, 2005.

Respondent Cofer signed the Uniform Submission Agreement: August 11, 2005.

Claimant's Response to Respondent Oppenheimer & Co., Inc. and Eric Cofer's Motion to Dismiss filed on or about: December 7, 2005.

Respondents' Reply to Claimant's Response to Respondents' Motion to Dismiss filed on or about: January 4, 2006.

Second Motion to Dismiss filed by Respondents on or about: March 16, 2006.

Claimant's Response to Respondents' Second Motion to Dismiss filed on or about: March 21, 2006.

Respondents' Reply to Claimant's Response to Respondents' Second Motion to Dismiss filed on or about: March 28, 2006.

Claimant's Amended Statement of Claim filed on or about: April 4, 2006.

Claimant's Request to Amend the Statement of Claim filed on or about: April 10, 2006.

Respondents' Response to Claimant's Request to Amend the Statement of Claim filed on or about: April 11, 2006.

Joint Application to Request Hearing in This Matter Be Moved From Columbia, South Carolina to Atlanta, Georgia and to Request Direct Access to the Panel filed on or about: March 23, 2006.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract and breach of duty, including churning, engaging in unsuitable trading and failure to supervise; negligence; breach of fiduciary duty; common law fraud and misrepresentation; and, violations of the Georgia Securities Act of 1973. The causes of action relate to Claimant's investments in unspecified technology stocks and mutual funds.

Unless specifically admitted in their Answer and Motion to Dismiss, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In addition, in their Motion to Dismiss, Respondents asserted the Statement of Claim is merely a generic depiction of losses sustained without any link to actions taken by Respondents and Claimant's investments declined due to a significant decline in the value of the financial markets.

In response to Respondents' Motion to Dismiss, Claimant denied the assertions contained therein and requested that the arbitration panel deny Respondents' Motion to Dismiss.

RELIEF REQUESTED

Claimant requested actual damages of \$182,048.00 plus disgorgement damages of \$286,097.00, or, in the alternative, well-managed portfolio damages of \$350,685.00; punitive damages under O.C.G.A. Section 51-12-5.1 in an amount to be determined by the arbitrators; all of Claimant's costs, expenses, and disbursements, including attorneys' fees, associated with this arbitration; pre-award and post-award interest; and such other relief as the arbitration panel deemed just and proper.

Respondents requested that the Statement of Claim in all respects be dismissed with prejudice, and attorneys' fees and disbursements be assessed against Claimant. Further, Respondents requested an expungement of this matter from their NASD Central Registration Depository ("CRD") records.

OTHER ISSUES CONSIDERED AND DECIDED

On or about January 17, 2006, the arbitration panel issued an order which denied Respondents' Motion to Dismiss.

On or about March 20, 2006, the arbitration panel issued an order which granted the joint request to change the hearing location to Atlanta, Georgia and denied the request for direct communication with the arbitration panel. In a letter to NASD Dispute Resolution dated April 7, 2006, Respondents confirmed they would pay arbitrator John F. Adcock's travel and expenses. Respondents may receive additional invoices that reflect the amount owed by Respondents for arbitrator John F. Adcock's travel and expenses after service of this Award.

On or about April 12, 2006, the arbitration panel issued an order which granted Claimant's Request to Amend the Statement of Claim.

In their Second Motion to Dismiss, Respondents asserted that because the parties have agreed that the laws of the state of New York govern the rights and liabilities under the agreement for services

at issue in this case, claims involving liabilities or duties governed by laws of states other than New York are irrelevant, prejudicial, contrary to the intent of the parties, and, therefore, should be dismissed. In response, Claimant asserted as none of the claims for which Respondents seek dismissal are governed by the choice-of-law provision in the contract, Respondents' Motion to Dismiss should be denied. On or about April 18, 2006, the arbitration panel issued an order which denied Respondents' Second Motion to Dismiss.

At the evidentiary hearing, Respondents made a motion to dismiss Claimant's requests for punitive damages and attorneys' fees. Claimant opposed the motion. Thereafter, the arbitration panel issued an order which denied said motion.

The parties have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

Respondents are liable, jointly and severally, and shall pay to Claimant compensatory damages of \$286,097.00, inclusive of pre-judgment interest. Post-award interest shall accrue pursuant to Rule 10330(h) of the NASD Code of Arbitration Procedure.

Respondents are liable, jointly and severally, and shall pay to Claimant punitive damages of \$50,000.00. The authority for the award of punitive damages is as follows: Finance One Public Co. Ltd. v. Lehman Bros. Special Financing, 414 F.3d 325, 334-336 (2d Cir. 2005); Krock v. Lipsay, 97 F.3d 640, 645 (2d Cir. 1996); Knieriemen v. Bache Halsey Stuart Shields Inc., 74 A.D.2d 290, 427 N.Y.S.2d 10 (App. Div. 1st Dep't 1980); and, Rescildo v. R.H. Macy's, 187 A.D.2d 112, 594 N.Y.S.2d 139 (App. Div. 1st Dept. 1993).

Respondents are liable, jointly and severally, and shall pay to Claimant costs of \$20,000.00, which includes Claimant's expert witness fees and document copying expenses.

Respondents are liable, jointly and severally, and shall pay to Claimant the sum of \$300.00 representing reimbursement of the claim filing fee previously paid by Claimant to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein, including the parties' requests for attorneys' fees and Respondents' request for an expungement, are 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

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge = \$1,700.00

Pre-hearing process fee = \$750.00

Hearing process fee = \$2,750.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred in this matter.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

No three-day cancellation fees were incurred in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two Pre-hearing sessions with a single arbitrator @ \$450.00 = \$900.00

Pre-hearing conferences: March 17, 2006 1 session

March 24, 2006 1 session

Two Pre-hearing sessions with the Panel @ \$1,125.00 = \$2,250.00

Pre-hearing conferences: October 17, 2005 1 session

April 18, 2006 1 session

Four Hearing sessions @ \$1,125.00 = \$4,500.00

Hearing Dates: April 24, 2006 2 sessions
April 25, 2006 2 sessions

Total Forum Fees	= \$7,650.00
------------------	--------------

The Panel has assessed the total forum fees of \$7,650.00 jointly and severally to Respondents.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

FEE SUMMARY

Claimant is solely liable for:

Initial Filing Fee	= \$300.00
--------------------	------------

Total Fees	= \$300.00
------------	------------

Less payments	= \$300.00
---------------	------------

Balance Due NASD Dispute Resolution	= \$0.00
-------------------------------------	----------

Respondent Oppenheimer 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
-------------------------------------	----------

Respondents are jointly and severally liable for:

Forum Fees	= \$7,650.00
------------	--------------

Total Fees	= \$7,650.00
------------	--------------

Less payments	= \$0.00
---------------	----------

Balance Due NASD Dispute Resolution	= \$7,650.00
-------------------------------------	--------------

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

ARBITRATION PANEL

Lita S. Menkin, JD	-	Public Arbitrator, Presiding Chair
John F. Adcock	-	Public Arbitrator
Arthur Thomas Stephenson	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Lita S. Menkin, JD
Public Arbitrator, Presiding Chair

April 27, 2006
Signature Date

John F. Adcock
Public Arbitrator

April 27, 2006
Signature Date

Arthur Thomas Stephenson
Non-Public Arbitrator

April 27, 2006
Signature Date

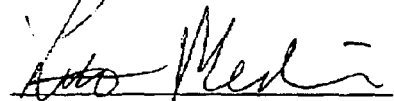
April 28, 2006

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

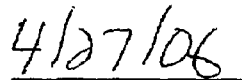
ARBITRATION PANEL

Lita S. Menkin, JD	-	Public Arbitrator, Presiding Chair
John F. Adcock	-	Public Arbitrator
Arthur Thomas Stephenson	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Lita S. Menkin, JD
Public Arbitrator, Presiding Chair



Signature Date

John F. Adcock
Public Arbitrator

Signature Date

Arthur Thomas Stephenson
Non-Public Arbitrator

Signature Date

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


ARBITRATION PANEL

Lita S. Menkin, JD	-	Public Arbitrator, Presiding Chair
John F. Adcock	-	Public Arbitrator
Arthur Thomas Stephenson	-	Non-Public Arbitrator

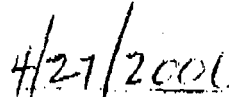
Concurring Arbitrators' Signatures

Lita S. Menkin, JD
Public Arbitrator, Presiding Chair

Signature Date



John F. Adcock
Public Arbitrator


Signature Date

Arthur Thomas Stephenson
Non-Public Arbitrator

Signature Date

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

John F. Adcock -
Arthur Thomas Stephenson -

Public Arbitrator
Non-Public Arbitrator

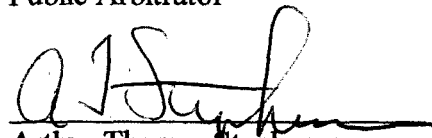
Concurring Arbitrators' Signatures

Lita S. Menkin, JD
Public Arbitrator, Presiding Chair

Signature Date

John F. Adcock
Public Arbitrator

Signature Date


Arthur Thomas Stephenson
Non-Public Arbitrator

4-27-06
Signature Date

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