

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Philadelphia Financial of San Francisco, LLC, Claimant v. Bear Stearns & Co. Inc. and
Alessandro P. Garbuio, Respondents

Case Number: 05-04372

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimant:

David Marek, Esq.
Liddle & Robinson, L.L.P.
New York, New York

For Respondents:

Audette Paul Morales, Esq.
Keesal, Young & Logan
Long Beach, California

CASE INFORMATION

Statement of Claim filed: August 19, 2005

Claimant's Uniform Submission Agreement signed: August 2, 2005

Respondents did not file an Answer to Claimant's Statement of Claim.

CASE SUMMARY

Claimant alleged breach of covenant of good faith and fair dealing, breach of fiduciary duty, and fraudulent conduct, involving the sale of a credit default swap product.

RELIEF REQUESTED

Claimant requested \$221,277.00 in compensatory damages, interest, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On October 19, 2005, Claimant informed NASD that the parties had reached an amicable resolution to this dispute, and Claimant withdrew its claims.

On November 15, 2005, the parties stipulated to move the hearing site from San Francisco to Los Angeles, California, and that a Los Angeles arbitrator be appointed to the case.

On October 24, 2005, the parties filed a Joint Motion Requesting that Panel Recommend Expungement of Matter From the CRD Record of Alessandro Garbuio. Also on October 24, 2005, Respondents requested that a single, non-public arbitrator be appointed to decide the matter, and that all fees assessed in proceeding with the parties' joint motion be assessed solely to Respondents.

On October 27, 2005, Respondent notified NASD that the parties had stipulated to proceed with a single non-public arbitrator in this matter.

Respondents Bear Stearns & Co., Inc. and Alessandro P. Garbuio did not file with NASD Dispute Resolution a properly executed submission agreement, but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Arbitrator on all issues submitted.

The parties agreed that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the Arbitrator decided in full and final resolution of the issues submitted for determination as follows:

- 1) The parties have entered into a confidential settlement agreement.
- 2)
 - a) The Arbitrator recommends the expungement of all reference to the above captioned arbitration from Respondent Alessandro P. Garbuio's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Alessandro P. Garbuio must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
 - b) Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.
 - c) Pursuant to Rule 2130, the Arbitrator has made the following affirmative finding of fact: The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.
- 3) The parties shall bear their respective costs, including attorney's fees.

4) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Bear Stearns & Co. Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
<u>Pre-Hearing Process Fee</u>	= \$ 750.00
Total Member Fees	= \$ 2,450.00

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
<u>Less payments</u>	= \$(1,425.00)
Refund Due Claimant	= \$(1,125.00)

2. Respondent Bear Stearns & Co. Inc. is charged with the following fees and costs:

Member Fees	= \$ 2,450.00
<u>Less payments</u>	= \$(1,700.00)
Balance Due NASD Dispute Resolution	= \$ 750.00

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

ARBITRATOR

Gerald C. Tambe

Non-Public Arbitrator, Presiding Chair

Arbitrator's Signature



Gerald C. Tambe
Chair, Non-Public Arbitrator

1/5/2006
Signature Date

1/5/06
Date of Service