

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between :  
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N.L. Cooper : AWARD  
: :  
: #88-00138  
Claimant :  
vs. :  
: :  
Shearson Lehman Brothers, Inc. :  
D. Elliott Dahle, Jr. :  
Respondents :  
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On October 13 and 14, November 29, December 1, 12 and 13, 1988 and February 2 and 28, March 2, April 24 and 26, 1989, the undersigned arbitrators heard the controversy between the parties as set forth in the submissions to Arbitration signed by Claimant N.L. Cooper and by Respondents, Shearson Lehman Brothers, Inc. and D. Elliott Dahle, Jr. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent D. Elliott Dahle, Jr. is liable for and shall pay to Claimant N.L. Cooper the sum of One Million Dollars and No Cents (\$1,000,000.00). With respect to the above, the arbitration panel based its decision to award damages on findings of a breach of fiduciary duty.
2. Respondent Shearson Lehman Brothers, Inc. is liable for and shall pay to Claimant N.L. Cooper the sum of Two Million One Hundred Thousand Dollars and No Cents (\$2,100,000.00). With respect to the above, the arbitration panel based its decision to award damages on findings of a breach of fiduciary duty and a failure of supervision.
3. The claim of the Claimant N.L. Cooper for punitive damages against the Respondent Shearson Lehman Brothers, Inc. and D. Elliott Dahle, Jr. shall be denied.

4. Respondents Shearson Lehman Hutton, Inc. and D. Elliott Dahle, Jr. shall be jointly and severally liable for attorney fees and shall pay to Claimant N.L. Cooper the sum of Two Hundred Forty Thousand Dollars and No Cents (\$240,000.00). With respect to the above, the arbitration panel determined that they had the authority to award attorneys fees based on findings of Respondents breach of fiduciary duty.
5. Pursuant to Section 43(a) of the Code of Arbitration Procedure, (the "Code"), the National Association of Securities Dealers, Inc. shall retain the One Thousand Dollars and No Cents (\$1,000.00) filing fee previously deposited by the Claimant. In addition, pursuant to Section 43(b) of the Code the Respondents Shearson Lehman Brothers, Inc. and D. Elliott Dahle, Jr. shall be assessed forum costs in the amount of Twenty One Thousand Dollars and No Cents (\$21,000.00). The forum costs assessed represent the twenty one hearing sessions required to conduct the arbitration.

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Chandler P. Bridges

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Philip C. Preston

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William Edmund Burke

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Richard V. McGalliard

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James R. Baynes

Dated:  
5/23/89