

NATIONAL ASSOCIATION OF SECURITIES DEALERS

----- X
In the Matter of the Arbitration Between :
DAVID L. JONES, :
Claimant, :
- against - :
LAIDLAW HOLDINGS, INC., LAIDLAW HOLDINGS :
ASSET MANAGEMENT INC., LAIDLAW EQUITIES, :
INC., WALTER H. BAUR, MICHAEL F. FAHEY, :
JR., HUGH REGAN, GOTTFRIED von MAYERN- :
HOHENBERG, DAVID N. BOTTOMS, JR. and :
WALTER L. TWISTE, :
Respondents. :
----- X

STIPULATED AWARD

Case No.
91-00674

WHEREAS, on or about February 27, 1991, David L. Jones (the "Claimant") commenced the above-captioned arbitration against Laidlaw Holdings, Inc., Laidlaw Holdings Asset Management Inc., Laidlaw Equities, Inc., Walter H. Baur, Michael F. Fahey, Jr., Hugh Regan, Gottfried von Mayern-Hohenberg, David N. Bottoms, Jr. and Walter L. Twiste (hereinafter "Respondents") before the National Association of Securities Dealers, Inc. ("NASD") in New York City, New York, by delivery of a Statement of Claims and Demand for Arbitration (the "Demand") to the NASD; and

WHEREAS, Claimant has alleged in his Demand that Respondents were responsible for and liable to Claimant for certain losses to his account and other damages; and

WHEREAS, each of the Respondents, except Walter L. Twiste ("Twiste") has entered an appearance and served a response to the Demand denying the material allegations therein; and

WHEREAS, the arbitration of this matter was scheduled to begin before the NASD on November 11, 1991 in New York City before the undersigned arbitrators; and

WHEREAS, the parties (except Twiste), in the interest of avoiding further litigation, desire to enter into a settlement agreement (the "Stipulated Award"); and

WHEREAS, the authority of the undersigned arbitrators to enter this award is acknowledged by the parties;

NOW THEREFORE, the arbitrators, upon consent of the parties (except Twiste) hereby enter a consent award, in full and final resolution of the issues submitted for determination, on the terms indicated below.

1. Laidlaw Holdings, Inc. ("Laidlaw"), on behalf of Respondents (except Twiste), agrees to pay Claimant the following:

(a) the sum of three hundred six thousand eight hundred twelve dollars and five cents (\$306,812.05) (the "Principal Amount");

(b) the sum of thirty-five thousand dollars (\$35,000.00) in exchange for Claimant's preferred shares in Laidlaw; and

(c) the sum of forty thousand dollars (\$40,000.00) representing a portion of Claimant's expenses, including attorneys' fees and disbursements in this matter.

2. Payment of the above agreed-to sum shall be made to Claimant as follows:

(a) one hundred six thousand eight hundred twelve dollars and five cents (\$106,812.05) within five (5) days of the date of the signing of this Stipulated Award (the "Closing");

(b) thirty five thousand dollars (\$35,000.00) within five (5) days of the date of Closing; and

(c) the additional two hundred forty thousand (\$240,000.00) shall be paid to Claimant in monthly installments of five thousand (\$5,000.00) per month commencing November 1, 1992, with subsequent payments being made on the first day of the month for the next forty-seven (47) successive months thereafter.

3. At the time of the Closing, and the payment by Laidlaw to Claimant of the \$35,000.00 for the preferred stock, Claimant shall deliver to Laidlaw the preferred shares previously bought by, and ~~issued~~ issued to Claimant.

4. At the time of the Closing, Laidlaw shall provide a Confession of Judgment and Affidavit in support thereof, in the form annexed hereto as Exhibit A, which shall be held in escrow by Claimant's attorneys and shall not be filed unless a default of payment occurs.

5. If a default of payment occurs by Laidlaw in respect of any of the payments as set forth in paragraph 2(b) of this Stipulated Award, then the Claimant shall be entitled to file the Confession of Judgment providing for entry of a Judgment

against Laidlaw in the full amount of three hundred eighty-one thousand eight hundred twelve dollars and five cents (\$381,812.05), less credit for any payments already made.

6. A "default of payment" as that term is used above shall mean the failure of Laidlaw to provide Claimant, in hand, with a check payable on presently available funds, within five business days after Claimant gives Laidlaw actual notice of Claimant's non-receipt of a payment due on a date as set forth in paragraph 2(b) of this Stipulated Award.

7. Claimant hereby agrees to accept the foregoing in full settlement and satisfaction of any and all claims and demands which he has or may have against Respondents (except Twiste) and any of its officers, directors, employees or agents (except Twiste) with respect to all matters between the parties through the date of the Closing.

8. Counsel for both parties, and on behalf of said parties, hereby stipulate and agree that this settlement and compromise constitutes an accord and satisfaction that extinguishes all prior claims by the parties, as to each, as opposed to an executory accord, which does not. In recognition of this, counsel for the parties, at the Closing referenced above, will execute and thereafter file with the NASD a Stipulation of Discontinuance of this action, with prejudice, in the form annexed hereto as Exhibit B.

9. At the Closing, the parties shall also execute and exchange General Releases in favor of each other in the form annexed hereto as Exhibits C and D, to be held in escrow subject to the completion of the obligations contained in this Stipulated Award.

10. Upon payment to Claimant of the final payment as provided for herein, Claimant's attorneys shall return the confession of judgment to counsel for Laidlaw, since the obligation of Laidlaw to Claimant pursuant to this accord and satisfaction will at that time be satisfied in full.

11. This Stipulated Award shall not be deemed or construed to be an admission by any party hereto, or any of their present or former officers, directors, employees or agents, of any liability, act, matter or proposition, or of the merit (or lack thereof) of any claim or defense asserted in this action; and the Respondents (other than Twiste) specifically deny the allegations in Claimant's Statement of Claims and Demand for Arbitration, as such allegations may pertain to them.

12. At and after the Closing, the parties to this Agreement, or their counsel, shall execute such further documents and take such further actions as may be necessary and appropriate to effectuate this Agreement and the settlement provided for herein.

13. Any notices to be given by any party to this Stipulated Award to any other party to this Stipulated Award

shall be deemed effective upon actual delivery to counsel who has appeared in this action for such party to whom the notice is directed.

14. This Stipulated Award may not be changed, altered or modified except by a writing signed by all of the parties to this agreement or their counsel.

15. This Stipulated Award shall be governed by the laws of the State of New York, without regard to the conflict of laws principles thereof.

16. The parties agree to hold this Stipulated Award and Compromise and its terms in strict confidence and not divulge it or any of its terms to any person or entity unless pursuant to Court Order, or a subpoena or written request issued by or on behalf of a government agency. In the event that Claimant or any of the Respondents are served with a Court Order, or receive a demand, subpoena or other written request calling for the production of a copy of this Award, or the disclosure of its terms, the party to whom the order, subpoena, demand, or request is made shall provide immediately written notice to the other party that such order, subpoena, demand or request was made.

17. This Stipulated Award and the attached Exhibits represent the entire agreement between the parties hereto and supersede any prior agreements or understandings between the parties with respect to the subject matter hereof.

18. This Stipulated Award shall be binding upon, and shall inure to the benefit of, the respective heirs, executors, administrators, successors or assigns of the parties hereto.

19. The attorneys executing this Stipulated Award represent that they are authorized by their respective clients to enter into this binding and enforceable settlement agreement.

Dated: New York, New York
November 11, 1991

WINDELS, MARX, DAVIES & IVES

By: Edward G. Williams
Edward G. Williams
Attorneys for Claimant
David L. Jones
156 West 56th Street
New York, New York 10019
(212) 237-1000

LAIDLAW HOLDINGS, INC.

By: Richard Cushing
Richard Cushing
Attorneys for Respondents
Laidlaw Holdings, Inc., Laidlaw
Holdings Asset Management Inc.,
Laidlaw Equities, Inc., Walter H.
Baur, Michael F. Fahey, Jr., Hugh
Regan, Gottfried von Mayern-
Hohenberg, David N. Bottoms, Jr.
275 Madison Avenue
New York, New York 10016
(212) 949-5678

SO APPROVED:

Robert Seaman
Robert Seaman, Chairman
NASD Panel of Arbitrators

Edward T. Hill
Edward T. Hill, Member
NASD Panel of Arbitrators

Robert A. Foy
Robert A. Foy, Member
NASD Panel of Arbitrators

10088359