

FINAL AWARD

NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Joseph Jett

vs.

Case No.

94-01696

Name of Respondent

Kidder, Peabody & Co., Incorporated

REPRESENTATION

For Claimant Joseph Jett ("Jett") appeared Kenneth E. Warner, Esq. of Coblenz & Warner law firm and Gus Newman, Esq. of Newman & Schwartz law firm, both located in New York City, New York.

For Respondent Kidder, Peabody & Company, Inc. ("Kidder") appeared Robert F. Wise, Jr., Esq. and Larry Portnoy, Esq. of the law firm of Davis Polk & Wardwell located in New York City, New York.

CASE INFORMATION

The Statement of Claim was filed on May 5, 1994. Claimant executed a Uniform Submission Agreement on May 5, 1995.

Respondent's Statement of Answer and Counterclaim was filed on July 20, 1994. Respondent filed a Uniform Submission Agreement on July 20, 1994.

Claimant's Reply to Counterclaim was filed on August 17, 1994.

An Amendment to the Statement of Claim was filed on September 6, 1994.

Respondent's Reply to the Amended Statement of Claim was filed on September 21, 1994.

HEARING INFORMATION

Pre-Hearing Conferences:	December 8, 1995	-	One Session
	December 14, 1995	-	One Session
	January 22, 1996	-	One Session
	February 6, 1996	-	One Session
	February 12, 1996	-	One Session
	February 29, 1996	-	One Session
	June 7, 1996	-	One Session
	July 19, 1996	-	One Session

Hearing Dates/Sessions:	July 29, 1996	-	Two Sessions
	July 30, 1996	-	Two Sessions
	July 31, 1996	-	Two Sessions
	August 1, 1996	-	Two Sessions
	August 2, 1996	-	Two Sessions
	August 5, 1996	-	Two Sessions
	August 6, 1996	-	Two Sessions
	August 7, 1996	-	Two Sessions
	August 8, 1996	-	Two Sessions
	August 9, 1996	-	Two Sessions
	September 6, 1996	-	Two Sessions
	September 9, 1996	-	Two Sessions
	September 24, 1996	-	One Session
	September 30, 1996	-	Two Sessions
	October 24, 1996	-	Two Sessions
	November 8, 1996	-	Two Sessions
	November 11, 1996	-	Two Sessions
	November 15, 1996	-	Two Sessions
	January 23, 1997	-	Two Sessions
	February 25, 1997	-	One Session
	March 11, 1997	-	One Session
	December 29, 1997	-	One Session.

The hearings were held at the offices of NASD Regulation, Inc. located in New York City, New York.

CASE SUMMARY

By Statement of Claim dated May 5, 1994, claimant Joseph Jett initiated this arbitration against respondent Kidder, Peabody & Company, Inc. ("Kidder"). Mr. Jett seeks the release of all of his and other assets being held by Kidder (i) the cash and securities in his Cash Management Account (CMA) maintained at Kidder, now aggregating over \$5 million, which Kidder froze, and (ii) his deferred compensation from Kidder which it refused to pay out or purported to confiscate, including approximately \$2.8 million under its Supplemental Bonus Plan together with appreciation in accordance with the Plan. Mr. Jett also seeks damages for the wrongful seizure of his funds by Kidder, together with interest, attorneys' fees, costs and an accounting, or liquidated damages for failure to provide an accounting.

By Reply dated August 17, 1994, Mr. Jett answered Kidder's counterclaims set forth in Kidder's Statement of Answer dated July 20, 1994. Mr. Jett denied all of the material allegations of Kidder's counterclaims and asserts that he acted properly and honestly at all times, so that he was not properly discharged by Kidder "for cause"; that his trades were not "economic nullities" as Kidder alleges, but instead were part of an overall approach and trading strategy that was known to and approved by Kidder; that he did not take advantage of any supposed "weakness" in Kidder's computerized accounting system, but instead is being victimized by that system by Kidder, which in April 1994 changed the accounting treatment given to certain trades, including Mr. Jett's (and others'), and now seeks to single out Mr. Jett and blame him for the write-off that change produced, even though Mr. Jett is completely innocent of any wrongdoing; that he is entitled to the full annual performance bonuses, including deferred compensation, that were given and awarded to him; that he committed no fraud whatsoever and misled

no one concerning the source of his profitability; that he breached no duty to Kidder; and that Kidder has no valid claim for unjust enrichment both because on the facts of this case no unjust enrichment occurred and because, on the law applicable to this case, there can be no claim for unjust enrichment in the presence of an employment agreement, as existed here. Mr. Jett seeks dismissal of Kidder's counterclaims. Upon such dismissal, Mr. Jett claims entitlement to his Supplemental Bonus that Kidder purported to confiscate on the ground that Mr. Jett was properly fired for cause; dismissal of Kidder's claims would establish the impropriety of that discharge and nullify Kidder's purported confiscation.

By Amendment to his Statement of Claim dated September 6, 1994, Mr. Jett asserted additional claims against Kidder for advancement of defense costs arising out of a mandatory corporate policy contained in Section 6.4 of Kidder's corporate By-Laws as well as for indemnification. Mr. Jett seeks immediate and continuing payment and reimbursement of past and ongoing defense costs with respect to all proceedings concerning his employment with Kidder, as well as indemnification with respect to those proceedings. In regard to advancement, those funds were required to be paid without regard to the outcome of this arbitration and Mr. Jett moved before the Panel for that relief; Mr. Jett's motion should be decided on that basis. In regard to indemnification, Mr. Jett asserts that at all times in connection with his trading he acted in good faith and in a manner he reasonable believed to be in or not opposed to the best interests of Kidder, and, with respect to any criminal action or proceeding (including investigative proceedings), he had no reasonable cause to believe his conduct was unlawful. Under Delaware law, which is applicable here (Kidder is a Delaware Corporation), that entitled Mr. Jett to indemnification. See Del. Corp. Law 145(a)-(b).

By Further Amendment to his Statement of Claim dated May 12, 1995, Mr. Jett asserted a demand for punitive damages in the amount of at least \$5 million against Kidder on his claim for advancement of defense costs. Mr. Jett seeks punitive damages in view of Kidder's bad faith conduct in refusing to make advancements to him notwithstanding its own, unambiguous by-law requiring that it do so.

Respondent Kidder claims that between July 1991 and March 1994, Jett formerly a Kidder trader and the Managing Director supervising Kidder's government bond trading desk, entered into Kidder's computerizing trading systems "forward reconstitution" of government bonds intentionally generating \$338.69 million in apparent, but wholly unrealizable, trading profits on Kidder's books and records. Kidder asserts that these false profits masked \$74.6 million in real trading losses generated by Jett and caused Kidder, based upon Jett's apparent trading success, to award to Jett performance-based bonuses in excess of \$11 million for 1992 and 1993.

Kidder claims that the forward reconstitution entered by Jett were economic nullities that existed only in Kidder's computerized systems and thus could not, as Jett knew, generate any economic value. Specifically, while the forward reconstitution were referred to by Jett as "trades" or "trades with the Fed", entry of a forward reconstitution was, in effect, only an internal electronic notation that Kidder may exchange a collection of government STRIPs (a zero coupon bond representing a single interest or principal payment on a government) for a corresponding reconstituted bond, an exchange of economically equivalent instruments, on the forward "settlement date." Such internal instructions have no economic substance. Kidder asserts that Jett knew that such forward reconstitution were booked, the forward reconstitution, even though economic nullities, could, if carefully entered, cause the appearance of substantial and sustained profitable trading -- and appearance which was completely unrelated to any real trading activity. Kidder asserts that Jett not only knew and understood the effect of the entry of forward reconstitution on his reported profitability but, over the course of more than two years, knowingly took

advantage of the weakness in the system and misled his supervisors and others at Kidder concerning the source of his apparent profitability.

Kidder asserts three counterclaims against Jett: fraud, breach of duty and unjust enrichment. Kidder seeks, on all three claims, an award in the amount of \$8.21 million, representing the amounts actually paid to Jett in undeserved performance bonuses for 1992 and 1993. On its fraud and breach of duty claims, Kidder seeks an additional award of actual damages in the amount of \$74.6 million representing the real trading losses incurred by Kidder as a result of Jett's misconduct. Kidder also seeks an order denying all of Jett's requested relief and, specifically, Kidder seeks a determination denying Jett's claim that he is entitled to have Kidder indemnify him for any defense costs and requiring Jett to repay the defense costs which Kidder, has, to date, advanced to Jett. Under Kidder's by-laws, Jett is not entitled to indemnification or advancement if it is determined that he did not act in which he reasonably believed was in or not opposed to the best interests of Kidder. Kidder asserts that Jett, throughout his employment at Kidder, acted in a manner directly opposed to Kidder's interests by perpetrating a scheme to garner entirely undeserved performance-based bonuses and which masked \$74.6 million in real trading losses.

RELIEF REQUESTED

Kidder Peabody requested an award as follows:

1. A monetary award in the amount of its damages resulting from Jett's breach of his duty as an officer and employee of Kidder and the fraud perpetrated on Kidder by him in his trading activities (first and second counterclaims). While the total damages caused to Kidder were significantly greater than those quantified below, Kidder is entitled, at a minimum, to damages composed of three elements:

\$6.67 million	1993 Performance bonus*
\$1.54 million	1992 Performance bonus*
\$74.60 million	Trading losses incurred by Jett

\$82.81 million

* Includes only bonus monies actually paid by Kidder directly to or on behalf of Jett (i.e., tax withholding).

Kidder seeks all three elements on its first and second claims, for fraud and breach of duty by Jett. On its third claim, for unjust enrichment, Kidder seeks the first two elements, the performance bonuses, in the total amount of \$8.21 million. In light of Jett's financial circumstances, Kidder will not pursue claims for consequential damages, including the expenses of the investigation, legal proceedings, and the damages to Kidder's commercial reputation and business, the latter of which contributed significant to the demise of the firm.

2. A determination by the panel that Kidder is entitled to set-off its damages, and any other obligations of Jett to Kidder awarded by the panel, against Jett's "Premium" account, which Kidder has frozen and is holding pending resolution of this arbitration. As of July 23, 1996, the

value of the account was \$4,852,004.00. This determination would deny Jett's claim against Kidder for return of the funds in the account.

3. A denial of Jett's claim for indemnification. Pursuant to the provisions of Delaware Corporation Law Section 145 (a), Kidder's Board of Directors determined in 1994 that Jett was not entitled to indemnification under Kidder's by-laws because he did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation and, further, that he had no reason to believe his conduct was unlawful. Kidder submits that the board's determination was correct and should not be overturned.
4. A monetary award to Kidder in the amount of all advancements for defense costs paid by Kidder to Jett's counsel to the date of the award pursuant to the panel's interim orders. Such an award would be necessarily follow from the denial of Jett's claim for indemnification. Jett has executed an undertaking, as required by Delaware law, to repay any amounts advanced by Kidder for defense costs should it be determined that he is not entitled to indemnification.

The relief requested by Mr. Jett in this arbitration is an award granting: (a) dismissal of Kidder's claims; (b) release of all of Mr. Jett's funds being held by Kidder; (c) damages for the wrongful seizure and retention of those funds by Kidder; (d) payment of Mr. Jett's defense costs; and (e) punitive damages for Kidder's wrongful refusal to pay Mr. Jett's defense costs.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

On December 16, 1997, Justice Marylin G. Diamond of the Supreme Court of the State of New York, County of New York, issued an order which remanded the Jett matter to this panel: "for a final determination of all remaining issues. The panel is directed to render such final determinations within thirty (30) days after receipt of a copy of this order."

On December 29, 1997 a hearing was held at the offices of the NASD in New York whereby this panel explained why the issue of attorneys' fee was not ripe for decision. Moreover, after due deliberation the panel issued an interim order, consistent with its prior interim orders directing: "Kidder to pay \$300,000 as an additional interim advancement payment, subject to a final decision by the panel on the issue of advancement and indemnification at the conclusion of all pending matters before this panel involving Mr. Jett and Kidder."

Subsequent to the interim Order of December 29, 1997, counsel for Kidder appealed Justice Diamond's order of December 16, 1997 to the New York Appellate Division, First Department, and requested a stay of that order. Last week, said request for a stay was denied.

This panel continues to feel that under all the circumstances of this case, with its long history, that the remaining issue of attorneys' fees is not ripe for an orderly and final resolution and reiterates its position of December 29, 1997 that in good conscience and in the exercise of its judgement, it respectfully cannot comply with Justice Diamond's order of December 16, 1997.

Accordingly, after due deliberation it is the decision of this panel to bring this arbitration to a close and hereby issue the following final Award, and all previous interim Orders are hereby incorporated herein:

- a) All claims asserted by Kidder against Jett seeking a monetary award be and hereby are denied by a majority of the panel. Arbitrator Thomas Duggan dissents in this determination and would have awarded Kidder Peabody an award of sixty million (\$60,000,000.00) dollars.
- b) Jett's claims for deferred compensation be and hereby are denied.
- c) All claims for interest are denied.
- d) All claims for punitive damages are denied.
- e) Kidder's request for a determination by the panel that Kidder is entitled to set-off its damages, and any other obligations of Jett to Kidder awarded by the panel, against Jett's "Premium " account, which Kidder has frozen and is holding is denied. As of December 29, 1997, the balance in said account was approximately \$2.7 million, after payments of \$3,000,000 from said account pursuant to previous interim Orders. Moreover, as of December 29, 1997, approximately \$950,000 had already been advanced by Kidder to Jett and/or his attorneys as interim advance payments for attorneys' fees pending the ultimate resolution of the issue of advancement and indemnification of such attorneys' fees. Furthermore, this panel ordered on December 29, 1997 that an additional sum of \$300,000 be advanced by Kidder to Jett and/or his attorneys under the same conditions as the previous advancements were made. Depending, therefore, whether the last \$300,000 have been so advanced, Kidder would have advanced approximately \$950,000 or \$1.25 million for such attorneys' fees, which were subject to reimbursement. It is the position of this panel that it now wishes to restore the status quo on this issue of attorneys' fees. Accordingly, this panel now directs that either approximately \$950,000 or \$1.25 million as the case may be (the actual amount depending upon the actual amount advanced by Kidder to Mr. Jett pursuant to our previous Orders for this purpose) be taken from Mr. Jett's "Premium" account and given to Kidder to reimburse it for the aforementioned advancements of attorneys' fees. This leaves the parties in the same position as if such advancements had not been made. This panel further directs that the balance of Mr. Jett's "Premium" account at Kidder -- after the reimbursement to Kidder of attorneys' fees advanced -- be distributed to Mr. Jett, subject to any liens thereon.
- f) Since the panel feels the issue of attorneys' fees cannot be reasonable resolved with finality at this time, and for the reasons expressed at the December 29, 1997 hearing at the NASD, it is directed that the claim by Jett against Kidder for advancement and/or indemnification of attorneys' fees is denied, without prejudice.

- g) All other claims by each party against the other which were raised in this arbitration -- except for the issue of attorneys' fees mentioned in subparagraph f above -- are dismissed with prejudice.

FORUM FEES

Pursuant to Rule 10205(k) of the *Code of Arbitration Procedure*, the Panel has determined that NASD Regulation shall retain the \$250.00 non-refundable claim filing fee paid by Jett and the \$500.00 non-refundable counterclaim filing fee paid by Kidder. The Panel has assessed the following Forum Fees which shall be borne equally by Kidder and Jett:

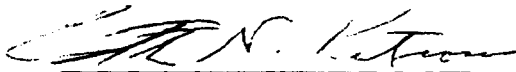
Pre-hearing Conferences (Full Panel)	-	\$ 8,000.00 (8 conferences @ \$1,000.00 per conference)
Hearing Sessions	-	40,000.00 (40 sessions @ \$1,000 per session)
Total Fees	-	\$48,000.00


1. Kidder is assessed \$24,000. Kidder previously paid \$2,000.00 and owes a balance of \$22,000.00.
2. Kidder is also assessed \$45.00 in miscellaneous costs. Kidder previously paid \$15.00 and owes a balance of \$30.00.
3. Jett is assessed \$24,000.00 in forum costs.
4. Jett is also assessed \$60.00 in miscellaneous costs, which has not been paid.

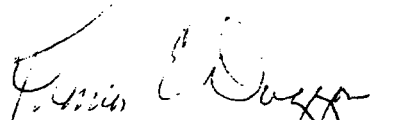
Fees are payable to the NASD Regulation, Inc.

ARBITRATION PANEL

Constantine N. Katsoris, Esq.	-	Public Chairperson
Carolyn E. Wade, Esq.	-	Public Panelist
Thomas E. Duggan, Esq.	-	Industry Panelist


Constantine N. Katsoris, Esq.


Carolyn E. Wade, Esq.


Thomas E. Duggan, Esq.

Date of Decision: January 26, 1998

N.A.S.D. INTERIM AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Joseph Jett

94-01696

Name of Respondent

Kidder, Peabody & Co., Incorporated

REPRESENTATION

For Claimant Joseph Jett ("Jett") appeared Kenneth E. Warner, Esq. of the law firm of Coblenz & Warner located in New York City, New York and Gus Newman, Esq. of the law firm of Newman & Schwartz located in New York City, New York.

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The hearing was held at the offices of NASD Regulation, Inc. located in New York City, New York.

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Kidder asserts three counterclaims against Jett: fraud, breach of duty and unjust enrichment. Kidder seeks, on all three claims, an award in the amount of \$8.21 million, representing the amounts actually paid to Jett in undeserved performance bonuses for 1992 and 1993. On its fraud and breach of duty claims, Kidder seeks an additional award of actual damages in the amount of \$74.6 million representing the real trading losses incurred by Kidder as a result of Jett's misconduct. Kidder also seeks an order denying all of Jett's requested relief and, specifically, Kidder seeks a determination denying Jett's claim that he is entitled to have Kidder indemnify him for any defense costs and requiring Jett to repay the

\$950,000.00 in defenses costs which Kidder has, to date, advanced to Jett. Under Kidder's by-laws, Jett is not entitled to indemnification or advancement if it is determined that he did not act in what he reasonably believed was in or not opposed to the best interests of Kidder. Kidder asserts that Jett, throughout his employment as Kidder, acted in a manner directly opposed to Kidder's interests in by perpetrating a scheme to garner entirely undeserved performance-based bonuses and which masked \$74.6 million in real trading losses.

RELIEF REQUESTED

Kidder Peabody requested an award as follows:

1. A monetary award in the amount of its damages resulting from Jett's breach of his duty as an officer and employee of Kidder and the fraud perpetrated on Kidder by him in his trading activities (first and second counterclaims). While the total damages caused to Kidder were significantly greater than those quantified below, Kidder is entitled, at a minimum, to damages composed of three elements:

\$6.67 million	1993 Performance bonus*
\$1.54 million	1992 Performance bonus*
\$74.60 million	Trading losses incurred by Jett
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\$82.81 million	

* Includes only bonus monies actually paid by Kidder directly to or on behalf of Jett (i.e., tax withholding).

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2. A determination by the panel that Kidder is entitled to set-off its damages, and any other obligations of Jett to Kidder awarded by the panel, against Jett's "Premium" account, which Kidder has frozen and is holding pending resolution of this arbitration. As of July 23, 1996, the value of the account was \$4,852,004.00. This determination would deny Jett's claim against Kidder for return of the funds in the account.

3. A denial of Jett's claim for indemnification. Pursuant to the provisions of Delaware Corporation Law Section 145 (a), Kidder's board of directors determined in 1994 that Jett was not entitled to indemnification under Kidder's by-laws because he did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation and, further, that he had reason to believe his conduct was unlawful. Kidder submits that the board's determination was correct and should not be overturned.

4. A monetary award to Kidder in the amount of all advancements for defense costs paid by Kidder to Jett's counsel to the date of the award pursuant to the panel's interim orders. Such an award would necessarily follow from the denial of Jett's claim for indemnification. Jett has executed an undertaking,

as required by Delaware law, to repay any amounts advanced by Kidder for defense costs should it be determined that he is not entitled to indemnification.

The relief requested by Mr. Jett in this arbitration is an award granting (a) dismissal of Kidder's claims, (b) release of all of Mr. Jett's funds being held by Kidder, (c) damages for the wrongful seizure and retention of those funds by Kidder, (d) payment of Mr. Jett's defense costs, and (e) punitive damages for Kidder's wrongful refusal to pay Mr. Jett's defense costs.

AWARD

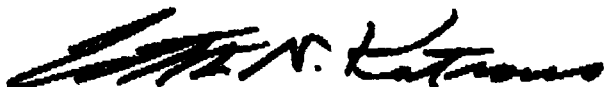
After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. All claims asserted by Kidder Peabody against Joseph Jett seeking a monetary award be and hereby are denied by a majority of the panel. Arbitrator Thomas Duggan dissents in this determination and would have awarded Kidder Peabody an award of \$60 million dollars.
2. Kidder Peabody's request for a determination by the panel that Kidder is entitled to set-off its damages, and any other obligations of Jett to Kidder awarded by the panel, against Jett's "Premium" account, which Kidder has frozen and is holding is denied. The panel is hereby directing Kidder Peabody to immediately release \$1 million of these assets to Joseph Jett, the balance in the account to be held by Kidder Peabody pending the panel's decision on the issue of attorneys' in its Final Award.
3. The panel has deferred any decision on Kidder's request for a monetary award in the amount of all advancements for defense costs paid by Kidder to Jett's counsel.
4. Joseph Jett's claims for deferred compensation be and hereby are denied.
5. All claims for interest are deferred until the panel issues its Final Award.
6. All claims for punitive damages are denied.
7. The panel has determined to deny Joseph Jett's request of December 4, 1996 seeking a further interim award for advancement of additional attorneys' fees. The panel will re-open the record for testimony on the extent, relevancy, reasonableness and necessity of attorneys' fees.
8. The parties are ordered to appear before the panel on January 23, 1997 at 10:00 a.m.

FORUM FEES

The panel has deferred its decision on the assessment of forum fees pending conclusion of all hearings to be held in this arbitration matter.

ARBITRATORS' SIGNATURES



Constantine N. Katsoris, Esq.
Public Chairperson

Thomas P. Duggan, Esq.
Industry Arbitrator

Carolyn E. Wade, Esq.
Public Arbitrator

I, Constantine N. Katsoris, Esq., do hereby affirm pursuant to Article 7507 of the Civil Procedure Law and Rules, that this is my decision in the above captioned matter.

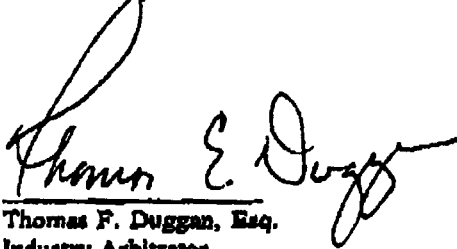


Constantine N. Katsoris, Esq.

Date of Decision: December 19, 1996

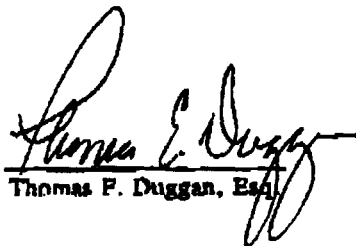
ARBITRATORS' SIGNATURES

Constantine N. Katsoris, Esq.
Public Chairperson


Thomas F. Duggan, Esq.
Industry Arbitrator

Carolyn E. Wade, Esq.
Public Arbitrator

I, Thomas F. Duggan, Esq., do hereby affirm pursuant to Article 7507 of the Civil Procedure Law and Rules, that this is my decision in the above captioned matter.



Thomas F. Duggan, Esq.

Date of Decision: December 19, 1996

ARBITRATORS' SIGNATURES

Constantine N. Katsoris, Esq.
Public Chairperson

Thomas F. Duggan, Esq.
Industry Arbitrator


Carolyn E. Wade, Esq.
Public Arbitrator

I, Carolyn E. Wade, Esq., do hereby affirm pursuant to Article 7507 of the Civil Procedure Law and Rules, that this is my decision in the above captioned matter.


Carolyn E. Wade, Esq.

Date of Decision: December 19, 1996

N.A.S.D. REGULATION ORDER

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Joseph Jett

94-01696

Name of Respondent

Kidder, Peabody & Co., Incorporated

The panel, having reviewed and considered the submissions of the parties on the application for an award of attorneys' fees and expense claims submitted by Joseph Jett for reimbursement under the Delaware indemnification statute and Kidder by-laws, has determined to reserve decision on this issue.

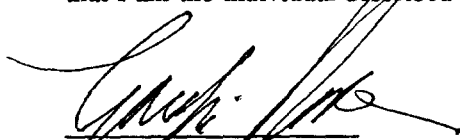
The panel has further decided, sua sponte, that Respondent Kidder Peabody, Inc. shall immediately release an additional \$1 million dollars to Joseph Jett from Mr. Jett's CMA account.

Arbitrators' Signatures



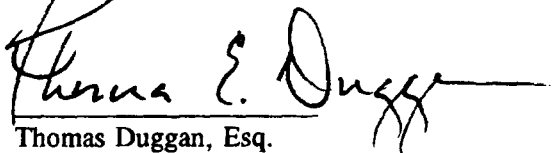
Constantine N. Katsoris, Esq.

I, Constantine Katsoris, 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.



Carolyn Wade, Esq.

I, Carolyn Wade, 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.



Thomas Duggan, Esq.

I, Thomas Duggan, 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.

Date of Decision: May 12, 1997

N.A.S.D. REGULATION FINAL ORDER

NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.

In the Matter of the Arbitration Between

Name of Claimant(s)

Joseph Jett

94-01696

Name of Respondent(s)

Kidder, Peabody & Co., Incorporated

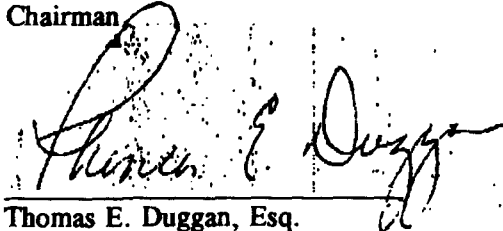
The panel reaffirms it's Interim Order of May 12, 1997 and denies the further relief at this time sought by Claimant in his letter of May 22, 1997.

Arbitrators Signature



Constantine N. Katsoris, Esq.

Chairman



Thomas E. Duggan, Esq.

Carolyn E. Wade, Esq.

Date of Decision: June 3, 1997

N.A.S.D. REGULATION ORDER

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Joseph Jett

94-01696

Name of Respondent

Kidder Peabody & Co., Incorporated

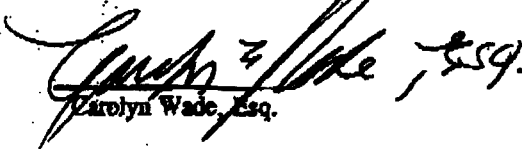
After deliberation, the panel has further decided, sua sponte, that Respondent Kidder Peabody, Inc. shall immediately release an additional \$1 million dollars to Joseph Jett from Mr. Jett's CMA account.

Arbitrators' Signatures

I, Constantine N. Katsoris, 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.

Constantine N. Katsoris, Esq.

I, Carolyn Wade, 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.


Carolyn Wade, Esq.

I, Thomas Duggan, 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.

Thomas Duggan, Esq.

Date of Decision: October 15, 1997

N.A.S.D. REGULATION ORDER

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Joseph Jett

94-01696

Name of Respondent

Kidder, Peabody & Co., Incorporated

After deliberation, the panel has further decided, sua sponte, that Respondent Kidder Peabody, Inc. shall immediately release an additional \$1 million dollars to Joseph Jett from Mr. Jett's CMA account.

Arbitrators' Signatures

I, Constantine N. Katsoris, 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.

Constantine N. Katsoris, Esq.

I, Carolyn Wade, 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.

Carolyn Wade, Esq.

I, Thomas Duggan, 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.


Thomas Duggan, Esq.

Date of Decision: October 15, 1997

N.A.S.D. REGULATION ORDER

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Joseph Jett

94-01696

Name of Respondent

Kidder, Peabody & Co., Incorporated

After deliberation, the panel has further decided, sua sponte, that Respondent Kidder Peabody, Inc. shall immediately release an additional \$1 million dollars to Joseph Jett from Mr. Jett's CMA account.

Arbitrators' Signatures

I, Constantine N. Katsoris, 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.



Constantine N. Katsoris, Esq.

I, Carolyn Wade, 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.

Carolyn Wade, Esq.

I, Thomas Duggan, 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.

Thomas Duggan, Esq.

Date of Decision: October 15, 1997