

AMERICAN STOCK EXCHANGE  
IN THE MATTER OF ARBITRATION BETWEEN

CASE: DUNN NEWFUND I, LTD. AND DUNN NEWFUND II, LTD. V. McMAHAN & COMPANY  
V. DUNN COMMODITIES, INC.

Case ID # 94-02

DATE FILED: 12/15/93 FIRST SCHEDULED 12/6/93 DECIDED 4/14/94

CASE SUMMARY: \* Customer v. Member dispute. Claimants, subordinated lender and Commodities  
professional alleges to have a side agreement with a broker/dealer for liquidity which  
was not adhered to.

CLAIMANT'S INITIALS: \_\_\_\_\_ RESPONDENT'S \_\_\_\_\_ THIRD PARTY'S INITIALS \_\_\_\_\_

SESSIONS: 28 DAYS

CLAIM AND AWARD DATA:

CLAIM	<u>\$9,000,000 ±</u>	<del>RESPONDENT'S CLAIM</del>	<u>\$9,000,000 ±</u>	AWARD	<u>\$1,513,822.42</u>
PUNITIVE	<u>N/A</u>	PUNITIVE	<u>N/A</u>	PUNITIVE	<u>N/A</u>
ATTY FEES	<u>Requested</u>	ATTY FEES	<u>Requested</u>	ATTY FEES	<u>Denied</u>
DEPOSIT	<u>\$1,000</u>	DEPOSIT	_____	DEPOSIT	_____
COSTS	<u>\$1,000</u>	COSTS	<u>\$27,000</u>	COSTS	<u>\$28,000</u>

DECISION: The undersigned arbitrators have decided and determined in full and final settlement of all claims between the parties that:

THE Claimants Dunn NewFund I, Ltd. and Dunn NewFund II, Ltd. are awarded the sum of \$1,513,822.42 inclusive of interest against McMahon & Co.;

THE claim for an accounting requested by Dunn NewFund I, Ltd. and Dunn NewFund II, Ltd. is denied;

THE Third-Party claim of McMahon & Co. against Dunn Commodities, Inc. is denied;

ALL claims for attorney fees are denied;

ALL other claims are denied;

THE cost of arbitration, \$28,000, shall be borne by the Respondent McMahon & Co. McMahon has already remitted \$1,000 as its initial deposit and shall remit the balance of \$27,000 directly to the American Stock Exchange.

ATTORNEY: Claimants: Gerald Novack, Esq., Jack Lerner, Esq. -Kirkpatrick & Lockhart, NYC  
Respondent: Deborah E. Lane, Esq., Fred Perkins, Esq. -Morrison, Cohen & Singer NYC  
Robert Knuts, Esq. - Formerly with Fennell & Minkoff, NYC  
3rd Party: Gerald Salzman, Esq. - Freeman, Freeman & Salzman, Chicago, IL

ARBITRATORS \*\*

WILLIAM MECHAMEN, ESQ., CHAIRMAN

ROBERT MADDA

DIANE CIOCCONE, ESQ.

GILBERT LAZERUS, ESQ.

ALFRED KOTTLER, ESQ.

CITY NEW YORK STATE NEW YORK

DATE: 5/6/94

\* Additional pages may be attached.  
\*\* (Dissents)

William Mechamen  
SIGNATURE  
Robert Madda  
SIGNATURE  
Diane Ciocone  
SIGNATURE  
Gilbert Lazerus  
SIGNATURE  
Alfred Kottler  
SIGNATURE