

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Malladi S. Reddy and Pravina Reddy, Claimants v. Barington Capital Group, L.P., LNA Capital Corp., James A. Mitarotonda, Murry M. Shapero, Edwin Kantor, Mark S. Cooper, James N. Giordano, Jerome Snyder, Carl Kleidman, John Rizzo, John Telfer and Scott Greiper, Respondents.

Case Number: 99-02255

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimants Malladi S. Reddy and Pravina Reddy:

Robert L. Herskovits, Esq.
Law Offices of Michael Bachner
New York, New York

For Respondent Murry M. Shapero ("Shapero"):

John D. Singer, Esq.
Proskauer Rose LLP
Los Angeles, California

For Respondents and Third-Party Claimants
Barington Capital Group, L.P. ("Barington"),
LNA Capital Corp. ("LNA"), James A. Mitarotonda
("Mitarotonda"), Edwin Kantor ("Kantor"), Mark S.
Cooper ("Cooper"), James N. Giordano ("Giordano"),
Jerome Snyder ("Snyder"), Carl Kleidman ("Kleidman"),
John Rizzo ("Rizzo"), John Telfer ("Telfer"), and Scott
Greiper ("Greiper"):

Andrew Weinberg, Esq.
Squadron, Ellenoff, Plesent &
Sheinfeld, LLP
New York, New York

For Third-Party Respondent Sandeep Kitson ("Kitson")

Joseph F. Keenan, Esq.
New York, New York

CASE INFORMATION

Statement of Claim filed:	April 20, 1999
Claimants' Uniform Submission Agreement signed:	April 28, 1999
Statement of Answer filed by Respondent Shapero:	August 9, 1999
Statement of Answer filed by Respondents Barington, LNA, Mitarotonda, Kantor, Cooper, Giordano, Snyder, Kleidman, Rizzo, Telfer, and Greiper:	August 10, 1999
Respondent Rizzo's Uniform Submission Agreement signed:	June 17, 1999
Respondent Barington's Uniform Submission Agreement signed:	July 30, 1999
Respondent LNA's Uniform Submission Agreement signed:	August 2, 1999
Respondent Mitarotonda's Uniform Submission Agreement signed:	August 2, 1999
Respondent Kleidman's Uniform Submission Agreement signed:	August 2, 1999
Respondent Kantor's Uniform Submission Agreement signed:	August 4, 1999
Respondent Cooper's Uniform Submission Agreement signed:	August 4, 1999
Respondent Snyder's Uniform Submission Agreement signed:	August 4, 1999
Respondent Giordano's Uniform Submission Agreement signed:	August 9, 1999
Respondent Telfer's Uniform Submission Agreement signed:	August 9, 1999
Respondent Greiper's Uniform Submission Agreement signed:	August 10, 1999
Respondent Shapero's Uniform Submission Agreement signed:	September 16, 1999
Third-Party Statement of Claim filed:	August 10, 1999
Third-Party Respondent's Statement of Answer filed:	September 20, 1999
Third-Party Respondent's Uniform Submission Agreement signed:	None filed

CASE SUMMARY

Claimants alleged that they opened a non-discretionary joint account at Barington in or around July 1995. Claimants alleged that, contrary to their wishes, their account was concentrated almost exclusively in highly speculative house stocks underwritten by Barington. Claimants alleged financial loss due to Respondents' negligence, breach of fiduciary duty, breach of contract, fraud, excessive trading, and violations of federal and state securities laws.

Respondents denied each and every allegation and set forth affirmative defenses that alleged Claimants failed to state a cause of action, failed to take steps to mitigate damages, and expressly authorized each transaction. Respondents further alleged in their defense that Claimants' damages were a direct and proximate result of their own conduct and that Claimants were barred by estoppel, waiver, and/or ratification.

Respondents Barington, LNA, Mitarotonda, Kantor, Cooper, Giordano, Snyder, Kleidman, Rizzo, Telfer, and Greiper filed a third-party claim against Kitson, alleging that Kitson was Claimants' account manager from 1994 and 1995 and that Respondents relied upon Kitson's representations concerning Claimants' finances.

On May 10, 2000, Respondents Kantor, Kleidman, Rizzo, and Greiper were dismissed without prejudice. Third-Party Respondent Kitson was dismissed without prejudice on the same date.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$2,800,000, punitive damages of \$2,000,000.00, costs, forum fees, attorney's fees, and expert witness fees.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety, costs and attorney's fees.

Third-Party Claimants requested damages in the same amount for any that they may be found liable for under Claimants' Statement of Claim, costs and attorney's fees.

Third-Party Respondent requested dismissal of the Third-Party Statement of Claim, costs and attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

1. After considering the parties submissions and representations, the Panel refers to the Consent Award, Stipulation of Dismissal, and Stipulation to Expunge Matter from the CRD of Murry M. Shapero, attached hereto as Exhibit 1, and, by this reference, incorporated herein as though fully set forth.

2. Specifically, the parties have stipulated, by and between Claimants Malladi S. Reddy and Pravina Reddy, and Respondents Murry M. Shapero and Barington Capital Group, L.P., LNA Capital Corp., James A. Mitarotonda, Edwin Kantor, Mark S. Cooper, James N. Giordano, Jerome Snyder, and John Telfer, through their respective counsel, that this matter has been settled by written agreement by and between the parties and all claims against Respondents have been withdrawn with prejudice.
3. Pursuant to the terms of the aforementioned settlement agreement and a Notice of Withdrawal and Dismissal with Prejudice of all Claims against all Respondents, all claims against Respondent Murry M. Shapero have been withdrawn and dismissed with prejudice.
4. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Murry M. Shapero's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Murry M. Shapero must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 600.00
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Respondents' Barington, LNA, Mitarotonda, Kantor, Cooper, Giordano, Snyder, Kleidman, Rizzo, Telfer, and Greiper Third-Party Claim	= \$2,000.00
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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 Barington is a party and the following fees are assessed:

Member Surcharge	= \$ 2,500.00
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Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$ 4,500.00
Total Member Fees	= \$ 7,600.00

Adjournment Fees

The following adjournment fees are assessed:

February 5, 2000 – February 14, 2000, adjournment requested by Shapero	= \$ 1,200.00
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Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

1 Pre-hearing conference session with a single arbitrator @ \$ 450/session	= \$ 450.00
Pre-hearing conference: February 15, 2000	1 session
4 Pre-hearing conference sessions with the Panel @ \$1,200/session	= \$ 4,800.00
Pre-hearing conferences: March 13, 2000	2 sessions
May 4, 2000	1 session
August 15, 2000	1 session

Total Forum Fees	= \$ 5,250.00
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1. The Panel assessed \$ 2,625.00 of the forum fees jointly and severally to Claimants Malladi S. Reddy and Pravina Reddy.
2. The Panel assessed \$1,800.00 of the forum fees jointly and severally to Respondents Barington, LNA, Mitarotonda, Kantor, Cooper, Giordano, Snyder, Kleidman, Rizzo, Telfer, Greiper and Shapero.
3. The Panel assessed \$ 825.00 of the forum fees jointly and severally to Respondents Barington, LNA, Mitarotonda, Cooper, Giordano, Snyder, Telfer, and Shapero.

Fee Summary

1. Claimants, Malladi S. Reddy and Pravina Reddy, are charged jointly and severally charged with the following fees and costs:
Initial Filing Fee = \$ 600.00

<u>Forum Fees</u>	= \$2,625.00
<u>Total Fees</u>	= \$3,225.00
<u>Less payments</u>	= \$1,800.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,425.00

2. Respondent, Barington, is charged with the following fees and costs:

<u>Member Fees</u>	= \$7,600.00
<u>Total Fees</u>	= \$7,600.00
<u>Less payments</u>	= \$7,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ -0-

3. Respondents, Barington, LNA, Mitarotonda, Kantor, Cooper, Giordano, Snyder, Kleidman, Rizzo, Telfer, Greiper and Shapero, are charged jointly and severally charged with the following fees and costs:

<u>Forum Fees</u>	= \$1,800.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,800.00

4. Respondents, Barington, LNA, Mitarotonda, Cooper, Giordano, Snyder, Telfer, and Shapero, are charged jointly and severally charged with the following fees and costs:

<u>Forum Fees</u>	= \$ 825.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 825.00

5. Respondents, Barington, LNA, Mitarotonda, Kantor, Cooper, Giordano, Snyder, Kleidman, Rizzo, Telfer, and Greiper, are charged jointly and severally with the following fees and costs:


<u>Third-Party Claim</u>	= \$2,000.00
<u>Less payment by Barington</u>	= \$2,000.00
Balance Due NASD Dispute Resolution, Inc.	= \$ -0-

6. Respondent Shapero is charged with the following fees and costs:

<u>Adjournment Fees</u>	= \$1,200.00
<u>Less payment</u>	= \$1,200.00
Balance Due NASD Dispute Resolution, Inc.	= \$ -0-

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

Parties' Signatures



Robert L. Herskovits, Esq.
Law Offices of Michael Bachner
Counsel for Claimants Malladi S. Reddy
and Pravina Reddy

7/31/01

Signature Date

John D. Singer, Esq.
Proskauer Rose LLP
Counsel for Respondent Murry M. Shapero

Signature Date

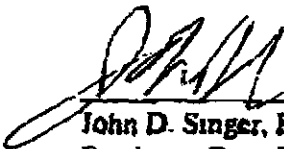
Andrew Weinberg, Esq.
Squadron, Ellenoff, Plesent & Sheinfeld, LLP
Counsel for Respondents Barington Capital Group, L.P.
LNA Capital Corp., James A. Mitarotonda, Edwin
Kantor, Mark S. Cooper, James N. Giordano, Jerome
Snyder, and John Telfer

Signature Date

Parties' Signatures

Robert L. Herskovits, Esq.
Law Offices of Michael Bachner
Counsel for Claimants Malladi S. Reddy
and Pravina Reddy

Signature Date



John D. Singer, Esq.
Proskauer Rose LLP
Counsel for Respondent Murry M. Shapero

8/20/01

Signature Date

Andrew Weinberg, Esq.
Squadron, Ellenoff, Plesent & Sheinfeld, LLP
Counsel for Respondents Barington Capital
Group, L.P., LNA Capital Corp., James A. Mitarotonda,
Murry M. Shapero, Edwin Kantor, Mark S. Cooper,
James N. Giordano, Jerome Snyder, Carl Kleidman,
John Rizzo, John Telfer and Scott Greiper

Signature Date

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Robert L. Herakovits, Esq.
Law Offices of Michael Bachner
Counsel for Claimants Malladi S. Reddy
and Pravina Reddy

Signature Date

John D. Singer, Esq.
Proskauer Ross LLP
Counsel for Respondent Murry M. Shapero

Signature Date

Andrew Weinberg
Andrew Weinberg, Esq.
Squadron, Ellenoff, Plesent & Sheinfeld, LLP
Counsel for Respondents Barington Capital
Group, L.P., LNA Capital Corp., James A. Mitarotonda,
Murry M. Shapero, Edwin Kantor, Mark S. Cooper,
James N. Giordano, Jerome Snyder, Carl Kleidman,
John Rizzo, John Telfer and Scott Greiper

8/23/01
Signature Date

NASD Dispute Resolution, Inc.
Arbitration No. 99-02255
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ARBITRATION PANEL

Charles Ajamian
Steven A. Wawra, Esq.
Terry Ann Novotz

Public, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures


Charles Ajamian
Chair, Public Arbitrator

10/26/01
Signature Date

Terry Ann Novotz
Non-public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

Steven A. Wawra, Esq.
Public Arbitrator

Signature Date

Date of Service

ARBITRATION PANEL

Charles Ajamian
Steven A. Wawra, Esq.
Terry Ann Novorr

Public, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

Charles Ajamian
Chair, Public Arbitrator

Signature Date

T. A. Novorr
Terry Ann Novorr
Non-public Arbitrator

10/28/01
Signature Date

Dissenting Arbitrator's Signature

Steven A. Wawra, Esq.
Public Arbitrator

Signature Date

11/23/02
Date of Service

ARBITRATION PANEL

<i>Charles Ajamian</i>	-	<i>Public, Presiding Chair</i>
<i>Steven A. Wawra, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Terry Ann Novotz</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

Charles Ajamian
Chair, Public Arbitrator

Signature Date

Terry Ann Novotz
Non-public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

Steven A. Wawra

Steven A. Wawra, Esq.
Public Arbitrator

1/10/02

Signature Date

1/23/02

Date of Service