

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Barclay Investments, Inc., (Claimant) vs. Robert G. Palmeiro and Robert J. Eldridge.
(Respondents)

Case Number: 99-02311

Hearing Site: Boston, Massachusetts

REPRESENTATION OF PARTIES

Claimant, Barclay Investments, Inc., hereinafter referred to as "Claimant": Kevin M. Brill, Esq., Peabody & Brown, Providence, RI.

Respondent, Robert G. Palmeiro ("Palmeiro"): Barry J. Kusnitz, Esq., Famiglietti & Carlin, Ltd., Providence, RI.

Respondent, Robert J. Eldridge ("Eldridge"), did not enter an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: May 18, 1999.

Claimant signed the Uniform Submission Agreement: May 17, 1999.

Statement of Answer filed by Palmeiro on or about: July 28, 1999.

Palmeiro signed the Uniform Submission Agreement: July 27, 1999.

Eldridge did not file a Statement of Answer or sign a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: misappropriation of funds; embezzlement; larceny; fraud; breach of fiduciary duty; and negligence. Claimant's claim did not involve specific financial products.

Unless specifically admitted in his Answer, Palmeiro denied the allegations made in the Statement of Claim and asserted the following defense: Palmeiro's actions were protected by the business judgement rule or doctrine.

RELIEF REQUESTED

Claimant requested unspecified compensatory damages, punitive damages, costs, reasonable attorneys' fees, doubling of damages pursuant to R.I. Gen. Laws Section 9-1-2, and such other relief as the Panel considers just.

Palmeiro requested that the Statement of Claim be dismissed and that he receive his costs and reasonable attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

NASD Dispute Resolution, Inc. was unable to effect service upon Respondent Eldridge. The parties agreed to proceed in this arbitration without Eldridge's participation.

The Panel determined the amount of the claim to be \$1,100,000.00 at the hearing.

Claimant waived its request for punitive damages during the course of its closing argument.

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.

AWARD

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

1. Palmeiro be and hereby is liable for and shall pay to Claimant the sum of \$550,000.00 as compensatory damages.
2. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee

= \$ 500.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, Barclay Investments, Inc. is a party.

Member surcharge	= \$1,200.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,000.00

Adjournment Fees

Adjournments requested during these proceedings:

August 15, 16 & 17, 2000, adjournment by Claimant	= \$1,000.00
October 25, 26 & 27, 2000, adjournment by Claimant	= \$1,000.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$1,000.00	= \$1,000.00
Pre-hearing conference: February 10, 2000	1 session
Five (5) Hearing sessions x \$1,000.00	= \$5,000.00
Hearing Dates: December 13, 2000	2 sessions
December 14, 2000	2 sessions
December 15, 2000	1 session
Total Forum Fees	= \$6,000.00

1. The Panel has assessed \$3,000.00 of the forum fees against Claimant.
2. The Panel has assessed \$3,000.00 of the forum fees against Palmeiro.

Fee Summary

1. Claimant be and hereby is solely liable for:

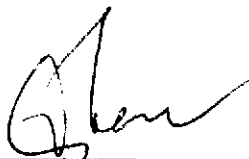
Initial Filing Fee	= \$ 500.00
Member Fees	= \$ 3,800.00
Adjournment Fees	= \$ 2,000.00
Forum Fees	= \$ 3,000.00
Total Fees	= \$ 9,300.00
Less payments	= \$12,075.00
Refund Due Claimant	= \$ 2,775.00

2. Palmeiro be and hereby is solely liable for:

Forum Fees	= \$ 3,000.00
Total Fees	= \$ 3,000.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,000.00

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures



Albert G. Besser, Esq.
Public Arbitrator, Presiding Chair

~~02~~ 01/13/01

Signature Date

Arnold M. Marrow, Esq.
Public Arbitrator

Signature Date

Jack A. Marshall
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.

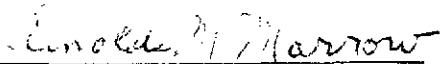
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Concurring Arbitrators' Signatures

Albert G. Besser, Esq.
Public Arbitrator, Presiding Chair

Signature Date


Arnold M. Marrow, Esq.
Public Arbitrator

JAN. 17, 2001
Signature Date

Jack A. Marshall
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

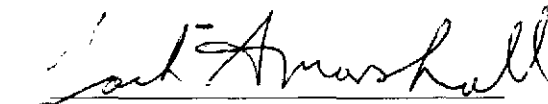
Concurring Arbitrators' Signatures

Albert G. Besser, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Arnold M. Marrow, Esq.
Public Arbitrator

Signature Date


Jack A. Marshall
Industry Arbitrator

1/18/01
Signature Date

January 24, 2001

Date of Service (For NASD office use only)