

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Dinesh Mehta and Ragini Mehta v. Salomon Smith Barney, Inc., Chuck Andler, and Lewis Walterhouse

Case Number: 00-683

Hearing Site: Southfield, Michigan

REPRESENTATION OF PARTIES

Claimants, Dinesh Mehta and Ragini Mehta, hereinafter collectively referred to as "Claimants": Joel H. Kaufman, Esq., Farmington Hills, Michigan.

Respondents, Salomon Smith Barney, Inc., ("SSB") Chuck Andler ("Andler"), and Lewis Walterhouse, II, ("Walterhouse"), hereinafter collectively referred to as "Respondents": Christopher B. O'Malley, Esq., Salomon Smith Barney, Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: February 10, 2000

Claimant, Dinesh Mehta, signed the Uniform Submission Agreement: January 25, 2000

Claimant, Ragini Mehta, signed the Uniform Submission Agreement: January 25, 2000

Statement of Answer filed by Respondents, SSB, Andler and Walterhouse, on or about: April 17, 2000

Respondent, SSB, signed the Uniform Submission Agreement: March 16, 2000, by Christopher B. O'Malley

Respondent, Andler, signed the Uniform Submission Agreement: March 20, 2000

Respondent, Walterhouse, signed the Uniform Submission Agreement: March 24, 2000

CASE SUMMARY

Claimants asserted that Respondent Andler recommended to Mr. Mehta a new strategy of selling "naked calls" and did not disclose the risks. Claimant stated that this strategy was against the recommendation of Respondent SSB, and that this strategy was not suitable for Claimants. The causes of action relate to the sale of call options on Yahoo stock.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimants' Statement of Claim fails to state claims upon which relief can be granted; Claimants' demand for damages is improper as a matter of law and fact and therefore fail to state a claim upon which relief can be granted; and any losses allegedly sustained in Claimants' account were attributable to market conditions and were not attributable to any fault of wrongdoing on the part of Respondents.

RELIEF REQUESTED

Claimants requested lost principal of \$77,645.66 plus interest at 10% from the date of loss which through December 31, 1999, was \$9,057.96, for total damages of \$86,603.62, or principal plus interest at 5% from the date of loss through December 31, 1999, which is \$82,097.61. Claimants also requested actual or reasonable attorneys fees as permitted under Michigan law and exemplary damages of \$100,000.00.

Respondents requested dismissal and other unspecified relief. At hearing, Respondents requested the expungement of the CRD records of Respondent Andler and Walterhouse.

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.) Claimant's claims are, each and all, denied in their entirety;
- 2.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 3.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent Charles Andler's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Andler (CRD#1947237) must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 4.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent Lewis Walterhouse's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Walterhouse (CRD#1892897) must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 5.) That any relief not specifically enumerated, including exemplary and punitive damages, is hereby denied with prejudice.

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 = \$ 300.00

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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge = \$1,500.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$2,500.00

Adjournment Fees

Adjournments requested during these proceedings:

December 13-14, 2000, by Respondents = \$ 1,125.00 (waived by Panel)

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$1,125.00 = \$1,125.00

Pre-hearing conference: October 18, 2000 1 session

Two (2) Hearing sessions x \$1,125.00 = \$2,250.00

Hearing Date: May 2, 2000 2 sessions

Total Forum Fees = \$3,375.00

The Panel has assessed \$3,375.00 of the forum fees to Salomon Smith Barney, Inc.

Fee Summary

Claimants, Dinesh Mehta and Ragini Mehta, are jointly and severally liable for:

Initial Filing Fee = \$ 300.00

Forum Fees = \$ 0.00

Total Fees = \$ 300.00

Less payments = \$ 1,425.00

Refund due from NASD Dispute Resolution, Inc. = \$ 1,125.00

Respondent, Salomon Smith Barney, Inc., is solely liable for:

Member Fees	= \$ 4,600.00
<u>Forum Fees</u>	<u>= \$ 3,375.00</u>
Total Fees	= \$ 7,975.00
<u>Less payments</u>	<u>= \$ 1,500.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 6,475.00

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures

/s/ Michael J. Sullivan, Esq.
Michael J. Sullivan, Esq.
Chairperson, Public Arbitrator

05/21/01
Signature Date

/s/ Hugh R. Kennedy
Hugh R. Kennedy
Public Arbitrator

05/27/01
Signature Date

/s/ Keith J. Koerber
Keith J. Koerber
Industry Arbitrator

05/18/01
Signature Date

05/29/01
Date of Service (For NASD office use only)

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Respondent, Salomon Smith Barney, Inc., is solely liable for:

Member Fees	= \$ 4,600.00
Forum Fees	= \$ 3,375.00
Total Fees	= \$ 7,975.00
Less payments	= \$ 1,500.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 6,475.00

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures

Michael J. Sullivan, Esq.
Chairperson, Public Arbitrator

Signature Date


Hugh R. Kennedy
Public Arbitrator

May 27 - 2001
Signature Date

Keith J. Koerber
Industry Arbitrator

Signature Date

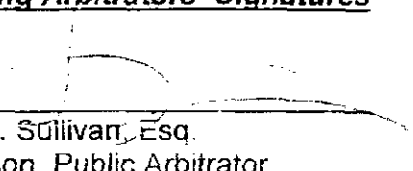
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Respondent, Salomon Smith Barney, Inc., is solely liable for:

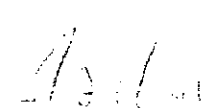
Member Fees	= \$ 4,600.00
Forum Fees	= \$ 3,375.00
Total Fees	= \$ 7,975.00
Less payments	= \$ 1,500.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 6,475.00

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures



Michael J. Sullivan, Esq.
Chairperson, Public Arbitrator



Signature Date

Hugh R. Kennedy
Public Arbitrator

Signature Date

Keith J. Koerber
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

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Arbitration # 00-883
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Respondent, Salomon Smith Barney, Inc., is solely liable for:

Member Fees	= \$ 4,600.00
Forum Fees	= \$ 3,375.00
Total Fees	= \$ 7,975.00
Less payments	= \$ 1,500.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 6,475.00

All balances are due to NASD Dispute Resolution, Inc.


Concurring Arbitrators' Signatures

Michael J. Sullivan, Esq.
Chairperson, Public Arbitrator

Signature Date

Hugh R. Kennedy
Public Arbitrator

Signature Date



Keith J. Koerber
Industry Arbitrator



Signature Date

Date of Service (For NASD office use only)