

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

CentreInvest Securities, Inc., (Claimant) vs. Salomon Smith Barney, Inc., (Respondent)

Case Number: 00-00902

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, CentreInvest Securities, Inc., hereinafter referred to as "Claimant": Alan Siegel, Esq., Akin, Gump, Strauss, Hauer & Feld, L.L.P., New York, NY.

Respondent, Salomon Smith Barney, Inc., hereinafter referred to as "Respondent": Alejandro Schwed, Esq., Senior Vice President and Associate General Counsel, Salomon Smith Barney, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: February 23, 2000.

Claimant signed the Uniform Submission Agreement: February 23, 2000.

Statement of Answer filed by Respondent on or about: May 24, 2000.

Respondent signed the Uniform Submission Agreement: July 25, 2000.

CASE SUMMARY

Claimant asserted the following cause of action: Respondent failed to honor its orders to buy a total of 14,600 shares of Menatep Bank sponsored PFD ADRs ("Menatep").

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant seeks to be paid for the shares in question as if there had been a ready market for them, which there was not; Claimant seeks a windfall; even if the error in question had not occurred, Claimant would have been unable to sell the Menatep shares at the price it wanted; Claimant has been unable, or unwilling to sell the Menatep shares after being notified of the error; if Claimant has not attempted to sell the shares in question, it raises the question as to whether Claimant has properly discharged its obligation to mitigate its damages; Respondent fulfilled its responsibility to place Claimant in the same position it would have been had the error never occurred; and Claimant has not suffered any damages, and is not entitled to any recovery.

RELIEF REQUESTED

Claimant requested that Respondent be required to accept delivery of the Menatep shares in question and remit to Claimant compensatory damages in the amount of \$68,406.40.

Respondent requested that the Statement of Claim be dismissed, and that all costs be assessed against Claimant.

OTHER ISSUES CONSIDERED AND 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.

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. Respondent breached its obligations to Claimant by its failure to execute two trades, dated August 23, 1999 and August 24, 1999, respectively.
2. Respondent is not liable in money damages to Claimant, therefore Claimant's relief requests are hereby denied.
3. 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

= \$1,000.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. In this matter, CentreInvest Securities, Inc. and Salomon Smith Barney, Inc. are parties.

CentreInvest Securities, Inc.

| | |
|-------------------------|--------------|
| Member surcharge | = \$1,000.00 |
| Pre-hearing process fee | = \$ 600.00 |
| Hearing process fee | = \$1,500.00 |

Salomon Smith Barney, Inc.

| | |
|-------------------------|--------------|
| Member surcharge | = \$1,000.00 |
| Pre-hearing process fee | = \$ 600.00 |
| Hearing process fee | = \$1,500.00 |

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 \$750.00 | = \$ 750.00 |
| Pre-hearing conference: March 30, 2001 | 1 session |
| One (1) Hearing session x \$750.00 | = \$ 750.00 |
| Hearing Date: July 25, 2001 | 1 session |
| Total Forum Fees | = \$1,500.00 |

The Panel has assessed all of the forum fees against Respondent.

Fee Summary

1. Claimant be and hereby is solely liable for:

| | |
|---------------------|--------------|
| Initial Filing Fee | = \$1,000.00 |
| Member Fees | = \$3,100.00 |
| Total Fees | = \$4,100.00 |
| Less payments | = \$4,850.00 |
| Refund Due Claimant | = \$ 750.00 |

NASD Dispute Resolution, Inc.

Arbitration No. 00-00902

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2. Respondent be and hereby is solely liable for:

| | |
|---|---------------------|
| Member Fees | = \$3,100.00 |
| <u>Forum Fees</u> | <u>= \$1,500.00</u> |
| Total Fees | = \$4,600.00 |
| <u>Less payments</u> | <u>= \$3,100.00</u> |
| Balance Due NASD Dispute Resolution, Inc. | = \$1,500.00 |

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

ARBITRATION PANEL

| | | |
|--------------------------|---|--------------------------------------|
| Charles E. Stewart, Esq. | - | Industry Arbitrator, Presiding Chair |
| Ethel Schwartz | - | Industry Arbitrator |
| Gerald A. Guild | - | Industry Arbitrator |

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, 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 which is my award.

Charles E. Stewart
Charles E. Stewart, Esq.
Industry Arbitrator, Presiding Chair

8/3/01
Signature Date

Ethel Schwartz
Ethel Schwartz
Industry Arbitrator

Signature Date

Gerald A. Guild
Gerald A. Guild
Industry Arbitrator

Signature Date

August 9, 2001
Date of Service (For NASD office use only)

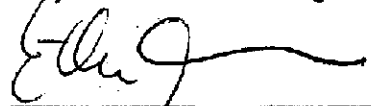
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Industry Arbitrator, Presiding Chair



Ethel Schwartz
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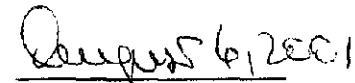
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