

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Dorothea Egarian, (Claimant) vs. Salomon Smith Barney, Inc., Richard Defuccio, and Joseph Leidy, (Respondents)

Case Number: 00-01959

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Dorothea Egarian, hereinafter referred to as "Claimant": Christopher Brennan, Esq., Smith, Buss & Jacobs, LLP, New York, NY.

Respondents, Salomon Smith Barney, Inc. ("Salomon"), Richard Defuccio ("Defuccio"), and Joseph Leidy ("Leidy"), hereinafter collectively referred to as "Respondents": Joanne M. Chormanksi, Esq., First Vice President and Counsel, Salomon Smith Barney, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: May 5, 2000.

Claimant signed the Uniform Submission Agreement: April 29, 2000.

Statement of Answer filed by Respondents on or about: August 2, 2000.

Salomon signed the Uniform Submission Agreement: August 2, 2000.

Defuccio did not sign a Uniform Submission Agreement.

Leidy did not sign a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: unauthorized transactions; violations of the regulations of the NASD, Inc., the laws of the United States, the laws of the State of New Jersey, and the laws of the State of New York; unsuitability; and negligent, fraudulent, outrageous, and wanton conduct. Claimant's claim involved unspecified financial products.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant fails to state a claim upon which relief can be granted; Claimant is barred from recovery of any alleged damages because she authorized and approved of the complained-of transactions; Claimant's claims are barred under the doctrines of waiver, estoppel, and ratification; Claimant's claims are barred, in whole or in part, by the applicable statutes of limitations; Claimant's claims are

barred, in whole or in part, because any damages allegedly suffered by Claimant were not caused by Respondents; Claimant is barred from recovery of any alleged damages because she failed to act with due diligence to mitigate her claimed damages; and at all relevant times, Salomon maintained an adequate and reasonable system of supervision and control over its employees.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$35,000.00 exclusive of interest; lost opportunity damages in the amount of \$25,000.00; punitive damages in the amount of \$200,000.00; and all costs and disbursements associated with this arbitration.

Respondents requested that all claims against them be dismissed. Respondents also requested that the Panel order expungement of this claim from the CRD records of Defuccio and Leidy.

OTHER ISSUES CONSIDERED AND DECIDED

By letter dated January 10, 2001, counsel for Respondents advised NASD Dispute Resolution, Inc. that the parties have settled this matter and requested that a Panel be appointed to sign the parties' Stipulated Award ordering expungement of this arbitration from the CRD records of Respondents Defuccio and Leidy. By letter dated January 12, 2001, counsel for Respondents advised NASD Dispute Resolution, Inc. that the parties required that only one arbitrator be appointed to sign the parties' Stipulated Award. By letter dated March 2, 2001, the parties were advised that James W. Geiger was appointed as the sole arbitrator to this matter.

Upon confirmation of the attached Stipulated Award by a court of competent jurisdiction, NASD Regulation, Inc. shall comply with the terms of the Stipulated Award, attached hereto as Exhibit "A".

Defuccio and Leidy did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure and, having answered the claim, are bound by the determination of the Arbitrator on all issues submitted.

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 person at the time of the events giving rise to the dispute. In this matter, Salomon Smith Barney, Inc. is a party.

Member surcharge = \$1,500.00

Pre-hearing process fee = \$ 600.00

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fee	= \$ 225.00
Total Fees	= \$ 525.00
<u>Less payments</u>	<u>= \$1,425.00</u>
Refund Due Claimant	= \$ 900.00

2. Salomon be and hereby is solely liable for:

<u>Member Fees</u>	<u>= \$2,100.00</u>
Total Fees	= \$2,100.00
<u>Less payments</u>	<u>= \$1,500.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 600.00

3. Respondents Salomon, Defuccio, and Leidy be and hereby are jointly and severally liable for:

<u>Forum Fee</u>	<u>= \$ 225.00</u>
Total Fees	= \$ 225.00

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

Arbitrator's Signature

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.

James W. Geiger
Public Arbitrator

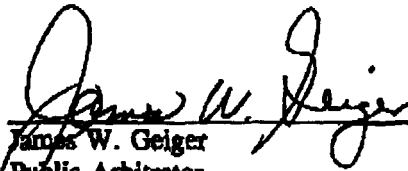
Signature Date

Date of Service (For NASD office use only)

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Arbitrator's Signature

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.


James W. Geiger
Public Arbitrator

Signature Date

5/1/01
Date of Service (For NASD office use only)