
Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between: Norman Diamond vs. Joseph Andreoli and Salomon Smith Barney, Inc.

Case Number: 00-003027

Hearing Site: Dallas, Texas

REPRESENTATION OF PARTIES

Claimant, Norman Diamond ("Diamond"), hereinafter referred to as "Claimant": Michael G. O'Neill, Esq., Law Offices of Michael O'Neill, Dallas, Texas.

Respondents, Joseph Andreoli ("Andreoli") and Salomon Smith Barney, Inc. ("Salomon"), hereinafter collectively referred to as "Respondents": Victor A. Machcinski, Esq., Salomon Smith Barney, Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: July 17, 2000. Statement of Amended Claim filed on or about: January 24, 2001. Claimant, Norman Diamond, signed the Uniform Submission Agreement: July 7, 2000.

Statement of Joint Answer filed by Respondents, Joseph Andreoli and Salomon Smith Barney, Inc., on or about: September 13, 2000. Statement of Joint Answer filed by Respondents, Joseph Andreoli and Salomon Smith Barney, Inc., on or about: February 12, 2000.

The NASD has no record of Respondent, Joseph Andreoli's, signed Uniform Submission Agreement.

The NASD has no record of Respondent, Salomon Smith Barney, Inc.'s signed Uniform Submission Agreement:

CASE SUMMARY

Claimant asserted the following causes of action: Breach of Contract, Negligence, Breach of Fiduciary duty, Unauthorized Trading and Suitability. The causes of action relates to the purchase and sale of bonds and financial products in Claimant's account.

Unless specifically admitted in its Answer, Respondents Joseph Andreoli and Salomon Smith Barney denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant's failure to timely object to any of the transactions of which he complains constitutes a ratification of these transactions and a waiver or estoppel of Claimant's right to any recovery sought in the Statement of Claim; and Claimant's claims are barred by all applicable statutes of limitations.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$196,275
Punitive Damages	\$196,275
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief:	unspecified

Respondents Joseph Andreoli and Salomon Smith Barney, Inc. requested:

Other Costs	unspecified
Other Monetary/Non-Monetary Relief:	unspecified

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Joseph Andreoli and Salomon Smith Barney, Inc. did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Arbitration Panel on all issues submitted.

AWARD

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

1. That the Respondents Joseph Andreoli and Salomon Smith Barney, Inc. are jointly and severally liable for and shall pay Claimant Norman Diamond compensatory damages of \$56,555 (fifty six thousand five hundred fifty five dollars) plus interest at 6% (six percent) from August 31, 1999 until the award is paid in full;
2. That Respondents Joseph Andreoli and Salomon Smith Barney, Inc. are jointly and severally liable for and shall pay Claimant Norman Diamond attorney's fees of \$20,670 (twenty thousand six hundred seventy dollars); In making this award of attorney's fees the panel reviewed and considered the pleadings, motions, oral argument at hearing, and Texas and Federal securities

- law, and find that authority exists for this award of attorney's fees.
3. That Respondents Joseph Andreoli and Salomon Smith Barney, Inc. are jointly and severally liable for and shall pay Claimant Norman Diamond expert witness fees of \$3,000 (three thousand dollars). In making this award of expert witness fees the panel reviewed and considered the pleadings, motions, oral argument at hearing, and Texas and Federal securities law, and find that authority exists for this award of expert witness fees;
 4. That any and all relief not specifically addressed herein, including punitive damages, is 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	= \$300
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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, the member firm is a party and the Respondent's firm.

Member surcharge	= \$1,500
Pre-hearing process fee	= \$600
Hearing process fee	= \$2,500

Forum Fees and Assessments

The arbitration panel has the authority to assess 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 \$1,125	= \$1,125
Pre-hearing conference: January 3, 2001	1 session
Eight (8) Hearing sessions x \$1125	= \$9000
Hearing Dates: April 9, 2001	2 sessions
April 10, 2001	2 sessions
April 11, 2001	4 sessions
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Total Forum Fees	= \$10,125

1. The arbitration panel has assessed \$10,125 of the forum fees jointly and severally to Joseph Andreoli and Salmon Smith Barney, Inc.

Fee Summary

1. Claimant, Norman Diamond, be and hereby is solely liable for:

Initial Filing Fee	= \$300
Forum Fees	= \$0
<u>Administrative Costs</u>	<u>= \$0</u>
Total Fees	= \$300
<u>Less payments</u>	<u>= \$1,575</u>
Refund Due	= \$1,275

2. Respondent, Salomon Smith Barney, Inc. be and hereby is solely liable for:

Member Fees	= \$4,600
Adjournment Fee	= \$0
<u>Administrative Costs</u>	<u>= \$0</u>
Total Fees	= \$4,600
<u>Less payments</u>	<u>= \$2,100</u>
Balance Due NASD Dispute Resolution, Inc.	= \$2,500

4. Respondents, Joseph Andreoli and Salomon Smith Barney, Inc. be and hereby are jointly and severally liable for:

<u>Forum Fee</u>	<u>= \$10,125</u>
Balance Due NASD Dispute Resolution, Inc.	= \$10,125

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Bill H. Brister	-	Public Arbitrator, Presiding Chair
Philip McConnell	-	Public Arbitrator
John Davis	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ Bill H. Brister

May 21, 2001

Bill H. Brister
Public Arbitrator, Presiding Chair

Signature Date

/s/ Philip McConnell

May 21, 2001

Philip McConnell
Public Arbitrator

Signature Date

/s/ John Davis

May 21, 2001

John Davis
Non-Public Arbitrator

Signature Date

Date of Service (For NASD-Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Bill H. Brister

Bill H. Brister
Public Arbitrator, Presiding Chair

May 21, 2001
Signature Date

Philip McConnell
Public Arbitrator

Signature Date

John Davis
Non-Public Arbitrator

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Bill H. Brister
Public Arbitrator, Presiding Chair

Signature Date

Philip McConnell
Public Arbitrator

Signature Date

John S. Davis

John Davis
Non-Public Arbitrator

May 21, 2001

Signature Date

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Bill H. Brister
Public Arbitrator, Presiding Chair

Signature Date

Philip McConnell
Philip McConnell
Public Arbitrator

05/21/01
Signature Date

John Davis
Non-Public Arbitrator

Signature Date

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