

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Eric Hippeau, (Claimant) vs. Salomon Smith Barney Inc., (Respondent)

Case Number: 01-01417

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Eric Hippeau, hereinafter referred to as "Claimant": William F. Dahill, Esq., Wolmuth Maher & Deutsch LLP, New York, NY.

Respondent, Salomon Smith Barney Inc., hereinafter referred to as "Respondent": Kevin J. Deloatch, Esq., Bressler, Amery & Ross, P.C., New York, NY. Previously represented by: William A. Hohaus, Esq., Associate General Counsel, Salomon Smith Barney Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: March 20, 2001.

Claimant signed the Uniform Submission Agreement: March 19, 2001.

Statement of Answer filed by Respondent on or about: June 22, 2001.

Respondent signed the Uniform Submission Agreement: June 22, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: negligence; breach of contract; and estoppel. Claimant's claim involved stock options in CNET Networks, Inc.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: Respondent's actions were wholly proper and in accord with its rights and duties as a stockbroker; Respondent is under no obligation to execute a particular trade if so doing might result in the imposition of sanctions or place it in jeopardy; not only are Claimant's "damage" calculations inherently speculative, but in a very real sense they are illogical; there was no breach of any duty on the part of any representative of Respondent, nor did Respondent make any wrongful representations to Claimant or his designees; and Respondent and its agents acted in a professional and ethical manner, and in accord with exchange and government regulations.

RELIEF REQUESTED

Claimant requested:

- a. An Award of compensatory damages in an amount to be proven at the hearing, but not less than \$715,000.00;
- b. Claimant's legal fees and disbursements, including his attorneys' fees; and
- c. Any other such relief at law or in equity that the Panel deems just and appropriate.

Respondent requested that the Statement of Claim be dismissed in its entirety, and that Respondent be awarded its costs.

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 is liable for and shall pay to Claimant the sum of \$612,643.69 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 will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 375.00
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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, Salomon Smith Barney Inc. is a party.

Member surcharge	= \$2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$3,500.00

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 a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: October 4, 2002	1 session

One (1) Pre-hearing session with Panel x \$1,200.00	= \$1,200.00
Pre-hearing conference: January 10, 2002	1 session

Four (4) Hearing sessions x \$1,200.00	= \$4,800.00
Hearing Dates: January 28, 2003	2 sessions
January 29, 2003	2 sessions

Total Forum Fees	= \$6,450.00
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1. The Panel has assessed \$3,225.00 of the forum fees against Claimant.
2. The Panel has assessed \$3,225.00 of the forum fees against Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	<u>= \$3,225.00</u>
Total Fees	= \$3,600.00
<u>Less payments</u>	<u>= \$1,575.00</u>
Balance Due NASD Dispute Resolution	= \$2,025.00

2. Respondent is solely liable for:

Member Fees	= \$6,100.00
Forum Fees	= \$3,225.00
Total Fees	= \$9,325.00
Less payments	= \$6,100.00
Balance Due NASD Dispute Resolution	= \$3,225.00


All balances are payable to NASD Dispute Resolution, and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

June McLaughlin-Cheng, Esq.	-	Public Arbitrator, Presiding Chair
Malcolm L. Elvey	-	Public Arbitrator
Linda E. Chudnoff	-	Non-Public 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.

 Esq.
June McLaughlin-Cheng, Esq.
Public Arbitrator, Presiding Chair

2/27/03
Signature Date

Malcolm L. Elvey
Public Arbitrator

Signature Date

Linda E. Chudnoff
Non-Public Arbitrator

Signature Date

March 11, 2003
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

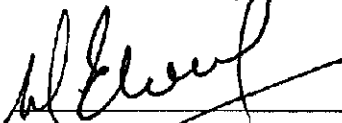
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Public Arbitrator, Presiding Chair

Signature Date



Malcolm L. Elvey
Public Arbitrator

3/4/03
Signature Date

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Non-Public Arbitrator

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