

**Stipulated Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between:

Terry G. Thompson, (Claimant) v. Salomon Smith Barney Inc., Jack B. Grubman, and Ronald A. Hollinger, (Respondents)

Case Number: 02-- 05824

Hearing Site: Indianapolis, Indiana

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**NATURE OF DISPUTE**

Customer vs. Member Firm and Associated Persons

**REPRESENTATION OF PARTIES**

Claimant Terry G. Thompson: Represented by Hayward Richard Pressman, Pressman & Trien, New York, New York.

Respondents Salomon Smith Barney Inc. ("Smith Barney"), Jack B. Grubman and Ronald A. Hollinger, hereinafter collectively referred to as "Respondents": Represented by H. Nicholas Berberian, Rawn Howard Reinhard, Neal, Gerber & Eisenberg LLP, Chicago, Illinois.

**CASE INFORMATION**

Statement of Claim filed on or about: September 18, 2002

Claimants signed Uniform Submission Agreements on or about: September 18, 2002

Statement of Answer filed by Respondent on or about: December 10, 2002

Respondents signed the Uniform Submission Agreement: December 10, 2002

**CASE SUMMARY**

Claimants asserted the following causes of action: Violations of Section 10(b) of the Securities Exchange Act, Unsuitability, Unauthorized Trading, Breach of Fiduciary Duty, Failure to Supervise, and Control Person Liability. Claimant subsequently amended their claim to add causes of action for Breach of Good Faith and Fair Dealing and Common Law Fraud.

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted the following defenses: Failure to State a Claim, Speculative and/or Not Cognizable Damages, Absence of Proximate Causation, Statutes of Limitation, Failure to Mitigate, Legal and Equitable Estoppel, Waiver and/or Ratification, and Unavailability of Attorneys' Fees and/or Punitive Damages.

**RELIEF REQUESTED**

Claimants requested:

Compensatory Damages	\$219,438.00
Punitive Damages	\$1,000,000.00
Attorneys' Fees	no specified amount
Other Costs	no specified amount

Respondents requested dismissal of the Statement of Claim in its entirety and their costs of this action, including reasonable attorneys' fees and costs.

**OTHER ISSUES CONSIDERED AND DECIDED**

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

**AWARD**

In full and final resolution of the issues submitted for determination, the Panel orders as follows:

1. Any and all claims asserted in this matter against individual Respondent Ronald A. Hollinger have been withdrawn by Claimant at his election and are hereby dismissed with prejudice. The parties have further agreed to expungement of all references to this arbitration from the registration records of Ronald A. Hollinger maintained by the NASD Central Registration Depository.
2. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Ronald A. Hollinger's records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Ronald A. Hollinger must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. All claims against Salomon Smith Barney Inc. and Jack B. Grubman are hereby dismissed with prejudice pursuant to a settlement reached between the parties.

### **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 = \$ 500.00

#### **Adjournment Fees**

Adjournments requested during these proceedings:

December 15, 2003 – December 19, 2003 adjourned by both parties = \$1,200.00

#### **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 = \$2,800.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$5,000.00

#### **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 28, 2003 1 session

Two (2) Pre-hearing sessions with Panel x \$1,200.00 = \$2,400.00

Pre-hearing conferences: June 10, 2003 1 session

January 9, 2004 1 session

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Total Forum Fees = \$2,850.00

The parties have agreed to pay forum fees as follows:

Claimant shall pay 50% of the total forum fee in the amount of \$1,425.00

Respondent shall pay 50% of the total forum fee in the amount of \$1,425.00

**Fee Summary**

Claimant, Terry G. Thompson, is hereby solely liable for:

Initial Filing Fee	= \$ 500.00
Adjournment Fee	= \$ 600.00
<u>Forum Fees</u>	= <u>\$1,425.00</u>
Total Fees	= \$2,525.00
<u>Less payments</u>	= <u>\$1,700.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 825.00

Respondent, Citigroup Global Markets, Inc. is hereby solely liable for:

Member Fees	= \$8,550.00
<u>Less payments</u>	= <u>\$8,550.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondents, Citigroup Global Markets, Inc., Jack B. Grubman and Ronald A. Hollinger are hereby jointly and severally liable for:

Adjournment Fee	= \$ 600.00
<u>Forum Fees</u>	= <u>\$1,425.00</u>
Total Fees	= \$2,025.00
<u>Less payments</u>	= <u>\$2,025.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are due to NASD Dispute Resolution, Inc.

NASD Dispute Resolution, Inc.

Arbitration No. 02-05824

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**Parties' Signatures**

**Terry G. Thompson**

By: \_\_\_\_\_

Hayward Richard Pressman  
Pressman & Trien  
41 East 57<sup>th</sup> Street, 15<sup>th</sup> Floor  
New York, New York 10022

**Salomon Smith Barney Inc.,  
Jack B. Grubman, Ronald A. Hollinger**

By: \_\_\_\_\_

H. Nicholas Berberian  
NEAL, GERBER & EISENBERG LLP  
Two N. LaSalle Street, Suite 2300  
Chicago, Illinois 60602  
(312) 269-8000

**ARBITRATION PANEL**

Steve C. Bach, Esq.	-	Public Arbitrator, Presiding Chairperson
Bruce M. Fingerhut	-	Public Arbitrator
Charles W. Turner	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Steve C. Bach, Esq.  
Public Arbitrator, Presiding Chair

November 17, 2004

Signature Date

\_\_\_\_\_  
Bruce M. Fingerhut  
Public Arbitrator

May 4, 2004

Signature Date

\_\_\_\_\_  
(Arbitrator's Name)  
Non-Public Arbitrator

May 16, 2004

Signature Date

November 17, 2004  
Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.

Arbitration No. 02-05824

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Steve C. Bach, Esq.

Bruce M. Fingerhut

Charles W. Turner

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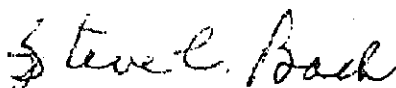
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Public Arbitrator, Presiding Chair

Public Arbitrator

Industry Arbitrator

**Concurring Arbitrators' Signatures**

Steve C. Bach, Esq.

Public Arbitrator, Presiding Chair

  
Signature Date\_\_\_\_\_  
Bruce M. Fingerhut

Public Arbitrator

\_\_\_\_\_  
Signature Date\_\_\_\_\_  
Charles W. Turner

Industry Arbitrator

\_\_\_\_\_  
Signature Date\_\_\_\_\_  
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NASD Dispute Resolution, Inc.

Arbitration No. 02-05824

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Steve C. Bach, Esq.

Bruce M. Fingerhut

Charles W. Turner

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Public Arbitrator, Presiding Chair

Public Arbitrator

Industry Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Steve C. Bach, Esq.

Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
*Bruce M. Fingerhut*

Bruce M. Fingerhut

Public Arbitrator

\_\_\_\_\_  
*4 May 2004*  
Signature Date

\_\_\_\_\_  
Charles W. Turner

Industry Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Date of Service (For NASD office use only)

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ARBITRATION PANEL

Steve C. Bach, Esq.

Bruce M. Fingerhut

Charles W. Turner

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Public Arbitrator, Presiding Chair

Public Arbitrator

Industry Arbitrator

Concurring Arbitrators' Signatures

\_\_\_\_\_  
Steve C. Bach, Esq.


Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Bruce M. Fingerhut

Public Arbitrator

\_\_\_\_\_  
Signature Date



\_\_\_\_\_  
Charles W. Turner

Industry Arbitrator



\_\_\_\_\_  
Signature Date

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Date of Service (For NASD office use only)

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