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**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of the Claimant  
P. Brooks Warren

Case Number: 02-05961

Name of the Respondent  
Salomon Smith Barney, Inc.

Hearing Site: New Orleans, LA

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Nature of the Dispute: Customer vs. Member.

**REPRESENTATION OF PARTIES**

For P. Brooks Warren, hereinafter referred to as "Claimant": David W. Mockbee, Esq., Mockbee Hall & Drake, Jackson, MS and E. Clifton Hodge, Esq., Phelps Dunbar, Jackson, MS.

For Salomon Smith Barney, Inc. ("SSB"), hereinafter referred to as "Respondent": Brett A. Rogers, Esq., Rogers & Hardin, Atlanta, GA.

**CASE INFORMATION**

Statement of Claim filed on or about: October 7, 2002.

Claimant signed the Uniform Submission Agreement: October 28, 2002.

Statement of Answer filed by Respondent on or about: January 30, 2003.

Respondent signed the Uniform Submission Agreement: May 29, 2003.

Motion to Dismiss filed by Respondent on or about: December 16, 2003.

**CASE SUMMARY**

Claimant asserted the following causes of action: suitability; breach of fiduciary duty; failure to adequately explain risks; misuse of margin; misuse of stock option plans; misrepresentation; material omissions of fact; failure to disclose; unreasonable setting of price targets; and, negligence. The causes of action relate to the purchase of MCI/WorldCom stock options in Claimant's account.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

**RELIEF REQUESTED**

Claimant requested compensatory damages of approximately \$4,187,100.00, punitive damages, attorneys' fees, expenses, and all other general and equitable relief that the facts warrant.

Respondent requested dismissal of the Statement of Claim, 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**

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

Respondent's Motion to Dismiss is granted. All of Claimant's claims for relief are dismissed, with prejudice.

Any and all claims for relief not specifically addressed herein, including Claimant's requests for punitive damages and attorneys' fees, are 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	= \$ 600.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent SSB is a party.

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$5,000.00</u>
Total Member Fees	= \$8,550.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were granted during these proceedings for which fees were assessed.

**Injunctive Relief Fees**

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were assessed during these proceedings.

**Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: November 18, 2003 1 session	
One (1) Pre-hearing session with Panel @ \$1,200.00	= \$1,200.00
Pre-hearing conference: June 13, 2003 1 session	
Five (5) Hearing sessions @ \$1,200.00	= \$6,000.00
Hearing Dates: December 15, 2003 2 sessions	
December 16, 2003 2 sessions	
December 17, 2003 1 session	
<b>Total Forum Fees</b>	<b>= \$7,650.00</b>

1. The Panel has assessed \$3,825.00 of the forum fees to Claimant.
2. The Panel has assessed \$3,825.00 of the forum fees to Respondent.

**Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during this proceeding.

**Fee Summary**

Claimant is solely liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 3,825.00
Total Fees	= \$ 4,425.00
Less payments	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 2,625.00

Respondent is solely liable for:

Member Fees	= \$ 8,550.00
Forum Fees	= \$ 3,825.00
Total Fees	= \$12,375.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 3,825.00

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

**ARBITRATION PANEL**

Arthur W. Pigott	-	Non-Public Arbitrator, Presiding Chairperson
Robert A. Kutcher, Esq.	-	Public Arbitrator
Mark A. Myers, Esq.	-	Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/  
Arthur W. Pigott  
Non-Public Arbitrator, Presiding Chairperson

Signature Date

/s/  
Robert A. Kutcher, Esq.  
Public Arbitrator

Signature Date

/s/  
Mark A. Myers, Esq.  
Public Arbitrator

Signature Date

January 9, 2004  
Date of Service (For NASD Dispute Resolution office use only)

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**Arbitration No. 02-05961**  
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Robert A. Kutcher, Esq.	-	Public Arbitrator
Mark A. Myers, Esq.	-	Public Arbitrator

Concurring Arbitrators' Signatures

Arthur W. Pagon  
Non-Public Arbitrator, Presiding Chairperson

**Signature Date**

**Robert A. Kutcher, Esq.**  
**Public Arbitrator**

**Signature Date**

**Mark A. Myers, Esq.**  
**Public Arbitrator**

**Signature Date**

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

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Non-Public Arbitrator, Presiding Chairperson

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Robert A. Kutcher, Esq.  
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Mark A. Myers, Esq.  
Public Arbitrator

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Signature Date

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