
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Bernice and Harold Kremins JTWROS

Case Number: 02-06067

Names of the Respondents

Salomon Smith Barney, Thomas J.
Coelho and Philip Vallone

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For Bernice and Harold Kremins JTWROS, hereinafter collectively referred to as "Claimants": Neil S. Baritz, Esq., Baritz & Colman, LLP, Boca Raton, Florida and Michael F. Kremins, Esq., Raskin & Kremins, L.L.P., New York, New York.

For Salomon Smith Barney ("SSB"), Thomas J. Coelho ("Coelho") and Philip Vallone ("Vallone"), hereinafter collectively referred to as "Respondents": Richard L. Martens, Esq. and Charles L. Pickett, Esq., Boose Casey Ciklin Lubitz Martens McBane & O'Connell, West Palm Beach, Florida and Ellen Slipp, Senior Vice President, Associate General Counsel, Citigroup Global Markets, Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: October 10, 2002.

Claimants signed the Uniform Submission Agreement: May 30, 2002.

Statement of Answer filed by Respondents on or about: December 19, 2002.

Motion for Default filed by Claimants on or about: January 17, 2003.

Response to Motion for Default filed by Respondents on or about: January 21, 2003.

Reply to Response to Motion for Default filed by Claimants on or about: January 22, 2003.

Response to Reply to Response to Motion for Default filed by Respondents on or about: January 30, 2003.

Motion to Amend the Statement of Claim filed by Claimants on or about: January 19, 2004.

Response to Motion to Amend the Statement of Claim filed by Respondents on or about:
February 12, 2004.

Reply to Response to Motion to Amend the Statement of Claim filed by Claimants on or about:
February 18, 2004.

Respondents did not file executed Uniform Submission Agreements.

CASE SUMMARY

Claimants alleged damages based on fraudulent misrepresentation, negligent supervision, negligence, unsuitability, violation of Chapter 517 of the Florida Statutes and violation of

various industry rules. The causes of action relate to the purchase and sale of Kmart corporate bonds in Claimants' account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim, denied any liability for any alleged monetary damages and asserted various defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$425,000.00, plus punitive damages, damages for lost opportunity, interest, attorneys' fees, costs and any other relief deemed just and proper.

Respondents requested dismissal of Claimants' claims in their entirety, with prejudice.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code"), and having answered the claim, are bound by the determinations of the Panel on all issues submitted.

On or about January 31, 2003, Claimants withdrew their Motion for Default.

On or about February 25, 2004, the Panel issued an order which granted Claimants' Motion to Amend the Statement of Claim. In addition, the order stated that the Panel considered Respondents' responsive pleading to this motion as their Answer and Denial.

On or about March 3, 2004, Claimants notified NASD Dispute Resolution that this matter had been settled.

On or about April 20, 2004, the parties filed a Stipulation to Dismiss and Expunge Respondents Coelho and Vallone's NASD Central Registration Depository ("CRD") Records wherein the parties asserted that this case was dismissed, with prejudice, and requested that this matter be expunged from Respondents Coelho and Vallone's permanent NASD CRD records.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the Stipulation to Dismiss and Expunge Respondents Coelho and Vallone's NASD CRD Records and the record in this matter, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Claimants' withdrawal of their claims against Respondents, with prejudice, is accepted and Respondents are dismissed from this matter.

The Panel recommends the expungement of all references to the above captioned arbitration from Respondents Coelho and Vallone's permanent records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Coelho and Vallone must obtain confirmation from a court of competent jurisdiction before the NASD CRD will execute the expungement directive.

FEEES

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 = \$ 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 persons at the time of the event giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge = \$1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$2,750.00

Adjournment Fees

Adjournment granted during these proceedings for which fees were assessed:

January 20-21, 2004, adjournment requested by Respondent Coelho = \$1,125.00

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 incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 the Panel @ \$1,125.00 = \$1,125.00

Pre-hearing conference: April 14, 2003 1 session
Total Forum Fees = \$1,125.00

Pursuant to the agreement of the parties, the Panel has assessed \$562.50 of the forum fees jointly and severally to Claimants and \$562.50 of the forum fees jointly and severally to Respondents.

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 are 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 in this matter.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 562.50
<u>Retained Hearing Session Deposit</u>	<u>= \$ 562.50</u>
Total Fees	= \$ 1,425.00
<u>Less payments</u>	<u>= \$ 1,425.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent SSB is solely liable for:

<u>Member Fees</u>	<u>= \$ 5,200.00</u>
Total Fees	= \$ 5,200.00
<u>Less payments</u>	<u>= \$ 5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Coelho is solely liable for:

<u>Adjournment Fees</u>	<u>= \$ 1,125.00</u>
Total Fees	= \$ 1,125.00
<u>Less payments</u>	<u>= \$ 1,125.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$ 562.50</u>
Total Fees	= \$ 562.50
<u>Less payments</u>	<u>= \$ 562.50</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

ARBITRATION PANEL

Linda M. Granata, Esq.	-	Public Arbitrator, Presiding Chairperson
Elliot Leitner	-	Public Arbitrator
David M. Finkel	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

05/06/04

Linda M. Granata, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/

05/07/04

Elliot Leitner
Public Arbitrator

Signature Date

/s/

05/05/04

David M. Finkel
Non-Public Arbitrator

Signature Date

05/07/04

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



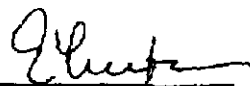
ARBITRATION PANEL

Linda M. Granata, Esq.	-	Public Arbitrator, Presiding Chairperson
Elliot Leitner	-	Public Arbitrator
David M. Finkel	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Linda M. Granata, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


Elliot Leitner
Public Arbitrator

5/7/04
Signature Date

David M. Finkel
Non-Public Arbitrator

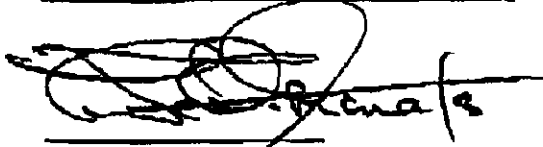
Signature Date

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

ARBITRATION PANEL

Linda M. Granata, Esq.	-	Public Arbitrator, Presiding Chairperson
Elliot Leitner	-	Public Arbitrator
David M. Finkel	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Linda M. Granata, Esq.
Public Arbitrator, Presiding Chairperson

5/6/04

Signature Date

Elliot Leitner
Public Arbitrator

Signature Date

David M. Finkel
Non-Public Arbitrator

Signature Date

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



ARBITRATION PANEL

Linda M. Granata, Esq.	-	Public Arbitrator, Presiding Chairperson
Elliot Leitner	-	Public Arbitrator
David M. Finkel	-	Non-Public Arbitrator


Concurring Arbitrators' Signatures

Linda M. Granata, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Elliot Leitner
Public Arbitrator

Signature Date



David M. Finkel
Non-Public Arbitrator

5/5/04
Signature Date

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