

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Edward I. Gersh, individually and as Trustee of the Edward I. Gersh Rev. Trust, and Hollise B. Gersh (Claimants) vs. Anthony B. Javarone, Greg Torretta, and Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. (Respondents)

Case Number: 03-01396

Hearing Site: New York, New York

Nature of the Dispute: Customers vs. Associated Persons and Member

REPRESENTATION OF PARTIES

Claimants Edward I. Gersh ("E. Gersh"), Edward I. Gersh as Trustee of the Edward I. Gersh Rev. Trust ("Gersh Trust"), and Hollise B. Gersh ("H. Gersh"), hereinafter collectively referred to as "Claimants": James J. Savage, Esq., James A. Scarpone, Esq., and Allen J. Zerk, Esq., Scarpone Staiano & Savage LLC, Newark, NJ.

Respondents Anthony B. Javarone ("Javarone"), Greg Torretta ("Torretta"), and Salomon Smith Barney Inc., n/k/a Citigroup Global Markets, Inc. ("Salomon Smith"), hereinafter collectively referred to as "Respondents": Jason S. Haselkorn, Esq., Boose Casey Ciklin Lubitz Martens McBane & O'Connell, West Palm Beach, FL.

CASE INFORMATION

Statement of Claim filed on or about: February 24, 2003.

Claimant E. Gersh signed the Uniform Submission Agreement: February 10, 2003.

Claimant Gersh Trust signed the Uniform Submission Agreement: March 15, 2003.

Claimant H. Gersh signed the Uniform Submission Agreement: February 10, 2003.

Statement of Answer filed by Respondents on or about: June 20, 2003.

Javarone signed the Uniform Submission Agreement: February 7, 2005.

Torretta signed the Uniform Submission Agreement: April 29, 2003.

Salomon Smith signed the Uniform Submission Agreement: April 29, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: misrepresentation, churning, negligence, breach of fiduciary duty, and negligent supervision. The causes of action relate to Hartford Life annuity/life insurance contracts, Polaris II variable annuities, and various municipal bonds.

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$1,080,000.00, reimbursement of reinvestment penalties, opportunity costs, New York State income tax consequences, pre-award interest, costs, attorneys' fees, and all such other relief that the Panel deems just.

Respondents requested dismissal of the Statement of Claim in its entirety, expungement of Javarone and Torretta's CRD records, forum fees, costs, and such other and further relief the Panel may deem appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

During the February 7, 2006 hearing, Respondents moved to dismiss Claimants' claims against Respondent Torretta. After due deliberation, the Panel granted Respondent Torretta's Motion to Dismiss.

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, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims against Respondents are hereby dismissed in their entirety.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Torretta's registration 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 Torretta must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. Respondent Javarone's request for expungement is denied.
4. Any and all relief not specifically addressed herein is 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 = \$ 500.00

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. Accordingly, Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. is a party.

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

April 20-22, 2004 adjournment by Parties	= \$ 1,200.00
Claimant E. Gersh's share	= \$ 200.00
Claimant Gersh Trust's share	= \$ 200.00
Claimant H. Gersh's share	= \$ 200.00
Respondent Javarone's share	= \$ 200.00
Respondent Torretta's share	= \$ 200.00
Respondent Salomon Smith's share	= \$ 200.00
September 7-10, 2004 adjournment by Respondent	= WAIVED
November 1-3, 2005 adjournment by Claimants	= \$ 1,200.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$ 900.00
Pre-hearing conferences:	
July 26, 2004	1 session
August 30, 2004	1 session
Four (4) Pre-hearing sessions with Panel @ \$1,200.00	= \$ 4,800.00
Pre-hearing conferences:	
November 24, 2003	1 session
April 5, 2004	1 session
September 9, 2004	1 session
October 21, 2005	1 session
Eleven (11) Hearing sessions @ \$1,200.00	= \$13,200.00
Hearing Dates:	
February 15, 2005	2 sessions
February 16, 2005	2 sessions
February 17, 2005	2 sessions
February 18, 2005	1 session
February 7, 2006	2 sessions
February 8, 2006	2 sessions
Total Forum Fees	= \$18,900.00

1. The Panel has assessed \$9,450.00 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$9,450.00 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 not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

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|---------------------------------|------|------|
| 1. Claimants requested copies | = \$ | 9.75 |
| 2. Respondents requested copies | = \$ | 4.50 |

Fee Summary

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| 1. Claimants are jointly and severally liable for: | | |
| Initial Filing Fee | = \$ | 500.00 |
| Adjournment Fee | = \$ | 1,200.00 |
| Forum Fees | = \$ | 9,450.00 |
| Administrative Costs | = \$ | 9.75 |
| Total Fees | = \$ | 11,159.75 |
| Less payments | = \$ | 2,900.00 |
| Balance Due NASD Dispute Resolution | = \$ | 8,259.75 |
| 2. Claimant E. Gersh is solely liable for: | | |
| Adjournment Fee | = \$ | 200.00 |
| Total Fees | = \$ | 0.00 |
| Less payments | = \$ | 200.00 |
| Balance Due NASD Dispute Resolution | = \$ | 0.00 |
| 3. Claimant Gersh Trust is solely liable for: | | |
| Adjournment Fee | = \$ | 200.00 |
| Total Fees | = \$ | 0.00 |
| Less payments | = \$ | 0.00 |
| Balance Due NASD Dispute Resolution | = \$ | 200.00 |
| 4. Claimant H. Gersh is solely liable for: | | |
| Adjournment Fee | = \$ | 200.00 |
| Total Fees | = \$ | 0.00 |
| Less payments | = \$ | 0.00 |
| Balance Due NASD Dispute Resolution | = \$ | 200.00 |
| 5. Respondents are jointly and severally liable for: | | |
| Forum Fees | = \$ | 9,450.00 |
| Administrative Costs | = \$ | 4.50 |
| Total Fees | = \$ | 9,454.50 |
| Less payments | = \$ | 0.00 |
| Balance Due NASD Dispute Resolution | = \$ | 9,454.50 |
| 6. Respondent Salomon Smith is solely liable for: | | |
| Member Fees | = \$ | 8,550.00 |
| Adjournment Fee | = \$ | 200.00 |
| Total Fees | = \$ | 8,750.00 |

<u>Less payments</u>	= \$ 8,750.00
Balance Due NASD Dispute Resolution	= \$ 0.00

7. Respondent Javarone is solely liable for:

<u>Adjournment Fee</u>	= \$ 200.00
Total Fees	= \$ 200.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 200.00

8. Respondent Torretta is solely liable for:

<u>Adjournment Fee</u>	= \$ 200.00
Total Fees	= \$ 200.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 200.00

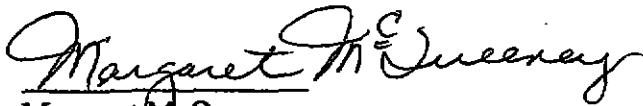
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Margaret McQueeney	-	Public Arbitrator, Presiding Chairperson
Jack Friedman, Esq.	-	Public Arbitrator
John A. Borgese, Esq.	-	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, which is my award.



Margaret McQueeney
Public Arbitrator, Presiding Chairperson

4/2/06
Signature Date

Jack Friedman, Esq.
Public Arbitrator

Signature Date

John A. Borgese, Esq.
Non-Public Arbitrator

Signature Date

April 5, 2006
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

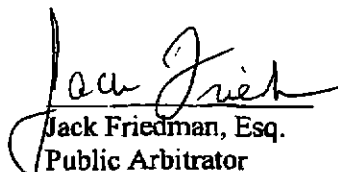
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Jack Friedman, Esq.	-	Public Arbitrator
John A. Borgese, Esq.	-	Non-Public Arbitrator

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Margaret McQueeny
Public Arbitrator, Presiding Chairperson

Signature Date



Jack Friedman, Esq.
Public Arbitrator

March 28, 2006

Signature Date

John A. Borgese, Esq.
Non-Public Arbitrator

Signature Date

April 5, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Margaret McQueeny	-	Public Arbitrator, Presiding Chairperson
Jack Friedman, Esq.	-	Public Arbitrator
John A. Borgese, Esq.	-	Non-Public Arbitrator

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Margaret McQueeny
Public Arbitrator, Presiding Chairperson

Signature Date

Jack Friedman, Esq.
Public Arbitrator

Signature Date


John A. Borgese, Esq.
Non-Public Arbitrator

3/29/06
Signature Date

April 5, 2006
Date of Service (For NASD Dispute Resolution use only)