

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Ann Del Rio (Claimant) v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.,
Morgan Stanley DW, Inc., Joseph Cataldo; and Steven Klein (Respondents)

Case Number: 03-01599

Hearing Site: New York, New York

Nature of the Dispute: Customer v. Members and Associated Persons.

REPRESENTATION OF PARTIES

Claimant Ann Del Rio ("Del Rio") hereinafter referred to as "Claimant": Michael Kalmus, Esq.,
New York, NY.

Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and
Joseph Cataldo ("Cataldo"): Ellen Slipp, Esq., Citigroup Global Markets, Inc., New York, NY.

Respondents Morgan Stanley DW, Inc. ("Morgan Stanley") and Steven Klein ("Klein"):
William D. Briendel, Esq., Greenberg Traurig, New York, NY. Previously represented by:
Thomas Keane, Morgan Stanley DW, Inc., Morgan Stanley Law Division, New York, NY.

Citigroup, Cataldo, Morgan Stanley, and Klein are hereinafter collectively referred to as
"Respondents".

CASE INFORMATION

Statement of Claim filed on or about: February 26, 2003.
Claimant did not sign the Uniform Submission Agreement.

Joint Statement of Answer filed by Respondents Citigroup and Cataldo on or about: April 30,
2003.

Respondent Citigroup did not sign the Uniform Submission Agreement.
Respondent Cataldo did not sign the Uniform Submission Agreement.

Joint Statement of Answer filed by Respondents Morgan Stanley and Klein on or about: July 11,
2003.

Respondent Morgan Stanley did not sign the Uniform Submission Agreement.
Respondent Klein did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: misrepresentation; and suitability; violation of Sections 2310, 2110, and 3010 of the Conduct Rules of the NASD; common law fraud; common law negligence; common law breach of fiduciary duty; common law breach of contract; violation of Section 20(A) of the Securities Exchange Act; common law respondeat superior; violation of the New Jersey Securities Act; and violation of the New Jersey Unfair Trade and Consumer Protection Act. The causes of action relate to mutual funds such as the Smith Barney Aggressive Growth Fund and Van Kampen Aggressive Growth Fund; high tech and internet unit trusts; and common stock such as Internet Capital Group, Priceline.com, Amazon.com, Drugstore.com, Interdigital Communications Corp., InfoUSA, Inc., and Internet Capital Group.

Unless specifically admitted in their Answer, Respondents Citigroup and Cataldo denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in their Answer, Respondents Morgan Stanley and Klein denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$438,515.00; treble damages in the amount of \$877,030.00; economic damages; costs; attorneys' fees; punitive damages; and such other and further relief as may be deemed just, proper, and equitable.

Respondents Citigroup and Cataldo requested dismissal of the Statement of Claim in its entirety.

Respondents Morgan Stanley and Klein requested dismissal of the Statement of Claim in its entirety; an award of costs; an order expunging this claim from the CRD of Respondent Klein; and such other relief that the Panel deems fair and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

Claimant did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

Respondents did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

On or about May 26, 2004, Claimant notified NASD Dispute Resolution that the parties entered into a Settlement Agreement and requested the entry of this Stipulated Award.

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

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. The claims of Claimant are dismissed in their entirety.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Joseph Cataldo'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 Cataldo must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Steven Klein'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 Klein must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
4. Any and all relief not specifically addressed herein, including punitive and treble damages, is denied.

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

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, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. 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

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, Morgan Stanley DW, Inc. 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

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. Forum fees associated with these proceedings are:

One (1) Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$1,200.00
Pre-hearing conference: September 4, 2003 1 session	
Total Forum Fees	= \$1,200.00

1. The Panel has assessed \$600.00 of the forum fees against Claimant.
2. The Panel has assessed \$600.00 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	<u>= \$ 600.00</u>
Total Fees	= \$1,100.00
<u>Less payments</u>	<u>= \$1,425.00</u>
Refund Due to Claimant	= \$ 325.00

2. Respondent Citigroup is solely liable for:

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

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3. Respondent Morgan Stanley is solely liable for:

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

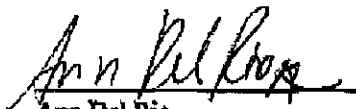
4. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 600.00
Total Fees	= \$ 600.00
<u>Less payments</u>	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

All balances are due and payable to NASD Dispute Resolution

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Parties' Signatures



Ann Del Rio
Claimant

Signature Date

Citigroup Global Markets, Inc.
Respondent

Signature Date

Morgan Stanley DW, Inc.
Respondent

Signature Date

Joseph Cataldo
Respondent

Signature Date

Steven Klein
Respondent

Signature Date

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Parties' Signatures

Ann Del Rio
Claimant

Signature Date

Citigroup Global Markets, Inc.
Respondent

Signature Date



Morgan Stanley DW, Inc.
Respondent

7/30/04

Signature Date

Joseph Cataldo
Respondent

Signature Date



Steven Klein
Respondent

7/30/04

Signature Date

Parties' Signatures

Ann Del Rio
Claimant

Signature Date

Andrew Thompson - General
Citigroup Global Markets, Inc. Administrator
Respondent

[Signature] 9/10/09
Signature Date

Morgan Stanley DW, Inc.
Respondent

Signature Date

[Signature]
Joseph Cataldo
Respondent

9/10/09
Signature Date

Steven Klein
Respondent


Signature Date

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ARBITRATION PANEL

Allan E. Johnson	-	Public Arbitrator, Presiding Chair
Lalita A. Brockington, Esq.	-	Public Arbitrator
David Denison	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Allan E. Johnson
Public Arbitrator, Presiding Chair

12/6/04

Signature Date

Lalita A. Brockington, Esq.
Public Arbitrator

Signature Date

David Denison
Non-Public Arbitrator

Signature Date

December 22, 2004
Date of Service (For NASD office use only)


ARBITRATION PANEL

Allan E. Johnson	-	Public Arbitrator, Presiding Chair
Lalita A. Brockington, Esq.	-	Public Arbitrator
David Denison	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Allan E. Johnson
Public Arbitrator, Presiding Chair

Signature Date


Lalita A. Brockington, Esq.
Public Arbitrator

December 7, 2004
Signature Date

David Denison
Non-Public Arbitrator

Signature Date

December 22, 2004
Date of Service (For NASD office use only)

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Allan E. Johnson	-	Public Arbitrator, Presiding Chair
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David Denison	-	Non-Public Arbitrator


Concurring Arbitrators' Signatures

Allan E. Johnson
Public Arbitrator, Presiding Chair

Signature Date

Lalita A. Brockington, Esq.
Public Arbitrator

Signature Date



David Denison
Non-Public Arbitrator

12/6/04

Signature Date

December 22, 2004
Date of Service (For NASD office use only)