

Amended Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Jamileh Darafshian, Trustees FBO Hossein & Jamileh Darafshian Revocable Trust U/A/D
8/9/01, Tahmineh and Tahereh Darafshian, Joint Tenants With Rights of Survivorship, Claimants
v. Salomon Smith Barney n/k/a Citigroup Global Markets, Inc., Wedbush Morgan Securities Inc.,
Richard A. Lanni, Charles T. Kuechler, William M. Noonan, Lee A. Tripodi, and Patrick W.
Kearney, Respondents

Case Number: 03-03057

Hearing Site: San Diego, California

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

REPRESENTATION OF PARTIES

For Claimants:

Matthew R. Rutherford, Esq.
Rutherford & Rybacki, LLP
San Diego, California

Kirk B. Hulett, Esq.
Hulett Harper Stewart, LLP
San Diego, California

For Respondents Salomon Smith Barney
n/k/a Citigroup Global Markets, Inc.,
Lee A. Tripodi, and Patrick W. Kearney:

Michael M. Gless, Esq.
Keesal, Young & Logan
Long Beach, California

For Respondents Wedbush Morgan Securities Inc.,
Richard A. Lanni, William M. Noonan
and Charles T. Kuechler:

Stephen Young, Esq.
Keesal, Young & Logan
Long Beach, California

CASE INFORMATION

Statement of Claim filed: April 24, 2003

Claimants' Joint Uniform Submission Agreement signed: May 3, 2003

Joint Statement of Answer filed by Respondents Salomon Smith Barney n/k/a Citigroup Global Markets, Inc., Lee A. Tripodi, and Patrick W. Kearney: August 4, 2003

Joint Statement of Answer filed by Respondents Wedbush Morgan Securities Inc. and Charles T. Kuechler: July 9, 2003

Respondent Salomon Smith Barney n/k/a Citigroup Global Markets, Inc.'s Uniform Submission Agreement signed: not dated

Respondent Wedbush Morgan Securities Inc.'s Uniform Submission Agreement signed: November 11, 2003

Respondent Charles T. Kuechler's Uniform Submission Agreement signed: November 11, 2003

Respondent William M. Noonan's Uniform Submission Agreement signed: November 25, 2003

Respondent Lee A. Tripodi's Uniform Submission Agreement signed: not dated

Respondent Patrick W. Kearney's Uniform Submission Agreement signed: not dated

CASE SUMMARY

Claimants alleged suitability, breach of fiduciary duty, constrictive fraud, vicarious liability, and failure to supervise involving unspecified securities.

Respondents Salomon Smith Barney n/k/a Citigroup Global Markets, Inc., Wedbush Morgan Securities Inc., Charles T. Kuechler, Lee A. Tripodi, and Patrick W. Kearney denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted various affirmative defenses.

Respondents Richard A. Lanni and William M. Noonan did not file a Statement of Answer.

RELIEF REQUESTED

Claimants requested a recovery of losses in accounts in an amount of at least \$1,740,000.00, recovery and disgorgement of margin interest earned by the Salomon Smith Barney respondents, interest, and costs, including attorney's fees against the Salomon Smith Barney respondents, and each of them.

Claimants requested a recovery of losses in accounts in an amount of at least \$1,939,000.00, recovery and disgorgement of commissions and margin interest earned by the Wedbush Morgan Securities, Inc. respondents, interest, and costs, including attorney's fees for the claims against the Wedbush Morgan Securities Inc. respondents, and each of them.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On July 24, 2003, NASD Dispute Resolution received a dismissal without prejudice for Respondent Richard A. Lanni.

On August 20, 2003, Claimants and Claimants' counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waivers of the Claimants shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

On September 17, 2004, NASD Dispute Resolution received a dismissal with prejudice for Respondents Charles T. Kuechler, William M. Noonan, Lee A. Tripodi, and Patrick W. Kearney.

On October 22, 2004, NASD Dispute Resolution received notice that this matter settled in its entirety.

Respondent Richard A. Lanni 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.

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

AWARD

After considering the pleadings and the Parties' request for Stipulated Award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent Richard A. Lanni'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 Richard A. Lanni must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 2) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent Charles T. Kuechler'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 Charles T. Kuechler must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 3) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent William M. Noonan'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 William M. Noonan must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 4) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent Lee A. Tripodi'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 Lee A. Tripodi must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 5) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent Patrick W. Kearney'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 Patrick W. Kearney must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

FEES

Pursuant to the Code of Arbitration Procedure ("Code"), the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee = \$ 600.00

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy.

The member firm Salomon Smith Barney n/k/a Citigroup Global Markets, Inc. is a party and the following fees are assessed:

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

The member firm Wedbush Morgan Securities Inc. is a party and the following fees are assessed:

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

The following adjournment fees are assessed:

Hearing Dates, September 1-3, 8-10, and 13-16, 2004	
Stipulated adjournment requested by Claimants and Respondents	= \$ 1,200.00

1. The Panel assessed \$600.00 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$600.00 of the forum fees jointly and severally to Respondents Salomon Smith Barney n/k/a Citigroup Global Markets, Inc., Wedbush Morgan Securities Inc., Charles T. Kuechler, William M. Noonan, Lee A. Tripodi, and Patrick W. Kearney.

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

One (1) Pre-hearing conference session with the Panel @ \$1,200.00/session = \$ 1,200.00
Pre-hearing conference: December 15, 2003 1 session

Total Forum Fees = \$ 1,200.00

1. The Panel assessed \$600.00 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$600.00 of the forum fees jointly and severally to Respondents Salomon Smith Barney n/k/a Citigroup Global Markets, Inc., Wedbush Morgan Securities Inc., Charles T. Kuechler, William M. Noonan, Lee A. Tripodi, and Patrick W. Kearney.

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 600.00
Adjournment Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$ 600.00</u>
Total Fees	= \$ 1,800.00
<u>Less payments</u>	<u>= \$(9,300.00)</u>
Refund Paid Claimants	= \$(7,500.00)

2. Respondents Salomon Smith Barney n/k/a Citigroup Global Markets, Inc., Wedbush Morgan Securities Inc., Charles T. Kuechler, William M. Noonan, Lee A. Tripodi, and Patrick W. Kearney are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 600.00
<u>Adjournment Fee</u>	<u>= \$ 600.00</u>
Total Fees	= \$ 1,200.00
Less payments by Salomon Smith Barney n/k/a	
<u>Citigroup Global Markets, Inc. and Wedbush Morgan Securities Inc.</u>	<u>= \$(1,200.00)</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondent Salomon Smith Barney n/k/a Citigroup Global Markets, Inc. is charged jointly and severally with the following fees and costs:

Member Fees	= \$ 8,550.00
<u>Less payments</u>	<u>= (30,450.00)</u>
Refund Paid Salomon Smith Barney n/k/a Citigroup Global Markets, Inc.	= (21,900.00)

4. Respondent Wedbush Morgan Securities Inc. is charged jointly and severally with the following fees and costs:

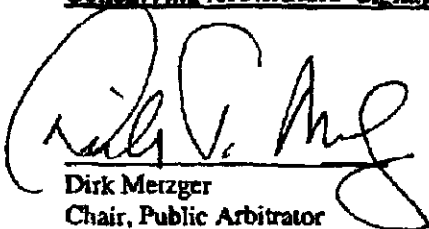
Member Fees	= \$ 8,550.00
<u>Less payments</u>	<u>=\$(27,000.00)</u>
Refund Paid Wedbush Morgan Securities Inc.	=\$(18,450.00)

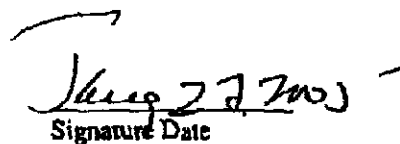
All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Dirk Metzger	-	Public Arbitrator, Presiding Chair
Robert John Wagener	-	Public Arbitrator
James F. Schmidt	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Dirk Metzger
Chair, Public Arbitrator


Signature Date

Robert John Wagener
Public Arbitrator

Signature Date

James F. Schmidt
Non-Public Arbitrator

Signature Date

1/28/05
Date of Service

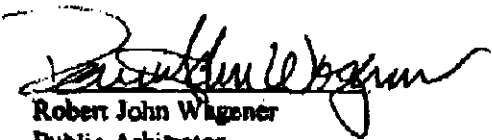
ARBITRATION PANEL

Dirk Metzger	•	Public Arbitrator, Presiding Chair
Robert John Wagener	•	Public Arbitrator
James P. Schmidt	•	Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Dirk Metzger
Chair, Public Arbitrator

Signature Date


Robert John Wagener
Public Arbitrator

01/27/2005
Signature Date

James P. Schmidt
Non-Public Arbitrator

Signature Date

1/28/05
Date of Service

ARBITRATION PANEL

Dirk Metzger	-	Public Arbitrator, Presiding Chair
Robert John Wagener	-	Public Arbitrator
James F. Schmidt	-	Non-Public Arbitrator

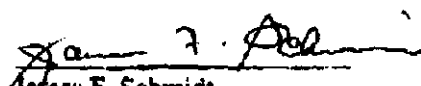
Concurring Arbitrators' Signatures

Dirk Metzger
Chair, Public Arbitrator

Signature Date

Robert John Wagener
Public Arbitrator

Signature Date



James F. Schmidt
Non-Public Arbitrator

1/27/05

Signature Date

1/28/05

Date of Service