

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

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In the Matter of the Arbitration Between:

Isaac and Shirley Raitport (Claimants) v. Salomon Smith Barney, Inc., and CIBC World Markets Corp., (Respondents)

Case Number: 03-03625

Hearing Site: New York, New York

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Nature of the Dispute: Customers vs. Members

**REPRESENTATION OF PARTIES**

Claimants Isaac Raitport ("I. Raitport") and Shirley Raitport ("S. Raitport"), hereinafter collectively referred to as "Claimants": Timothy J. Dennin, Timothy J. Dennin, P.C., Northport, NY.

Respondent Salomon Smith Barney, Inc., k/n/a Citigroup Global Markets ("SSB") Jeh C. Johnson, Esq., Paul, Weiss, Rifkind, Wharton & Garrison, New York, NY.

Respondent CIBC World Markets Corp., ("CIBC"), Scott Musoff, Esq., Skadden, Arps, Slate, Meagher & Flom LLP.

**CASE INFORMATION**

Statement of Claim filed on or about: May 16, 2003.

Claimant I. Raitport signed the Uniform Submission Agreement: May 5, 2003.

Claimant S. Raitport signed the Uniform Submission Agreement: May 5, 2003.

Statement of Answer filed by Respondent SSB on or about: August 11, 2003.

Amended Statement of Answer filed by Respondent SSB on or about: September 30, 2003.

Respondent SSB signed the Uniform Submission Agreement.

Statement of Answer filed by Respondent CIBC on or about: August 11, 2003.

Respondent CIBC signed the Uniform Submission Agreement: July 10, 2003.

**CASE SUMMARY**

Claimants asserted the following causes of action: failure to supervise, breach of contract, omissions, negligence, breach of fiduciary duty, suitability, and violation of antifraud provisions. The causes of action relate to margin accounts and various securities, including Con Ed.

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

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

### **RELIEF REQUESTED**

Claimants requested compensatory damages in the amount of \$180,000,000.00, punitive damages, interest, costs, attorneys' fees, and such other and further relief as is just and proper.

Respondent SSB requested attorneys' fees, costs, and that the Statement of Claim be dismissed with prejudice in its entirety.

Respondent CIBC requested costs, expenses, attorneys' fees, that the Statement of Claim be dismissed in its entirety and that they be awarded such other and further relief as the Panel deems just and proper.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

1. Claimants' claims are dismissed in their entirety.
2. Any and all relief not specifically addressed herein, including Claimants' request for punitive damages 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 = \$ 600.00

#### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, SSB and CIBC are parties.

Member surcharge = \$ 3,750.00

Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,500.00

**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:

Three (3) Pre-hearing sessions with Panel @ \$1,200.00	= \$ 3,600.00
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Pre-hearing conferences:	January 21, 2004	1 session
	July 19, 2005	2 sessions

Forty-five (45) Hearing sessions @ \$1,200.00	= \$ 54,000.00
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Hearing Dates:	February 15, 2005	1 session
	February 16, 2005	2 sessions
	February 17, 2005	2 sessions
	February 22, 2005	2 sessions
	February 23, 2005	2 sessions
	February 25, 2005	1 session
	March 9, 2005	2 sessions
	March 10, 2005	2 sessions
	April 4, 2005	2 sessions
	April 8, 2005	2 sessions
	May 2, 2005	2 sessions
	May 3, 2005	1 session
	May 9, 2005	2 sessions
	May 23, 2005	2 sessions
	May 24, 2005	2 sessions
	August 1, 2005	2 sessions
	August 2, 2005	2 sessions
	August 3, 2005	2 sessions
	August 4, 2005	2 sessions
	August 8, 2005	2 sessions
	August 9, 2005	2 sessions
	August 10, 2005	2 sessions
	August 11, 2005	2 sessions
	October 31, 2005	2 sessions

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Total Forum Fees	= \$ 57,600.00
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1. The Panel has assessed \$28,800.00 of the forum fees jointly and severally against the Claimants.
2. The Panel has assessed \$14,400.00 of the forum fees to Respondent SSB.
3. The Panel has assessed \$14,400.00 of the forum fees Respondent CIBC.

**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.

1. Respondent CIBC requested duplicate hearing tapes = \$ 45.00

**Fee Summary**

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$28,800.00
Total Fees	= \$29,400.00
Less payments	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$27,600.00

2. Respondent Salomon is solely liable for:

Member Fees	= \$10,000.00
Forum Fees	= \$14,400.00
Total Fees	= \$24,400.00
Less payments	= \$ 9,050.00
Balance Due NASD Dispute Resolution	= \$15,350.00

3. Respondent CIBC is solely liable for:

Member Fees	= \$10,000.00
Administrative Costs	= \$ 45.00
Forum Fees	= \$14,400.00
Total Fees	= \$24,445.00
Less payments	= \$ 9,095.00
Balance Due NASD Dispute Resolution	= \$15,350.00

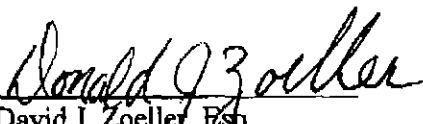
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

David J. Zoeller, Esq.	-	Public Arbitrator, Presiding Chairperson
Saverio J. Cina	-	Public Arbitrator
Donald Raymond McNally	-	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 instrument, which is my award.

  
\_\_\_\_\_  
David J. Zoeller, Esq.  
Public Arbitrator, Presiding Chairperson

Nov. 15, 2005  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Saverio J. Cina  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Donald Raymond McNally  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

**November 15, 2005**

\_\_\_\_\_  
Date of Service (For NASD Dispute Resolution use only)

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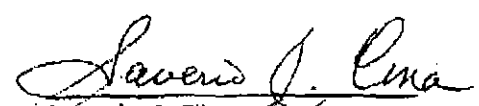
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Public Arbitrator

11/15/05  
\_\_\_\_\_  
Signature Date

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Non-Public Arbitrator

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Signature Date

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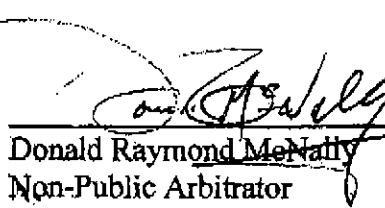
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Non-Public Arbitrator

NOV 15 2005  
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Signature Date

**November 15, 2005**

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