

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Alvin and Barbara Filarski, Claimants, v. Salomon Smith Barney, Inc. (n.k.a. Citigroup Global Markets, Inc.), Harlan Van Vooren, Thomas Gibbens, Jack Grubman, Kevin McCaffrey, Michael Carpenter, and Eduardo Mestre, Respondents

Case Number: 03-04092

Hearing Site: San Francisco, California

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

REPRESENTATION OF PARTIES

For Claimants

Timothy A. Canning, Esq.
Law offices of Timothy A. Canning
Novato, California

For Respondents

Cameron Stout, Esq.
Christopher A. Stecher, Esq.
Keesal, Young & Logan
San Francisco, California

CASE INFORMATION

Statement of Claim received: June 5, 2003

Claimants' Uniform Submission Agreement signed: May 12, 2003

Joint Statement of Answer filed by Respondents: August 22, 2003

Respondent Salomon Smith Barney, Inc.'s (n.k.a. Citigroup Global Markets, Inc.) Uniform Submission Agreement signed: November 7, 2003

Respondent Harlan Van Vooren's Uniform Submission Agreement signed: October 30, 2003

Respondent Thomas Gibbens' Uniform Submission Agreement signed: not signed

Respondent Jack Grubman's Uniform Submission Agreement signed: November 4, 2003

Respondent Kevin McCaffrey's Uniform Submission Agreement signed: not signed

Respondent Michael Carpenter's Uniform Submission Agreement signed: December 4, 2003

Respondent Eduardo Mestre's Uniform Submission Agreement signed: November 4, 2003

CASE SUMMARY

Claimants alleged fraud, negligence, breach of contract, breach of fiduciary duty, misrepresentation, unsuitability, and failure to supervise. Claimants' allegations involved transactions in various common stocks in their accounts maintained with Salomon Smith Barney.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$138,000.00, unspecified punitive damages, and costs, including attorney's fees.

Respondents requested dismissal of Claimants' Statement of Claim in its entirety and an award of costs, including attorney's fees. Respondents Harlan Van Vooren, Thomas Gibbens, Jack Grubman, Kevin McCaffrey, Michael Carpenter and Eduardo Mestre also requested expungement of all reference to the above captioned arbitration from their registration records maintained by the NASD Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Thomas Gibbens and Kevin McCaffrey did not file with the NASD Dispute Resolution a properly executed submission agreement but are required to submit to arbitration pursuant to the Code of Arbitration Procedure and having answered the claim are bound by the determination of the Panel on all issues submitted.

On September 11, 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 waiver 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 August 22, 2003, Respondents Jack Grubman, Kevin McCaffrey, Michael Carpenter and Eduardo Mestre filed a Motion to Dismiss Statement of Claim. A pre-hearing teleconference was held on January 22, 2004, attended by the parties and the panel, to hear oral argument on this motion. After due deliberation, the Panel denied the motion.

On May 13, 2004, Respondents Jack Grubman, Kevin McCaffrey, Michael Carpenter and Eduardo Mestre filed a Renewed Motion to Dismiss Statement of Claim. A pre-hearing teleconference was held on June 14, 2004, attended by the parties and the panel, to hear oral argument on this motion. After due deliberation, the Panel denied the motion.

On October 28, 2004, the parties submitted a stipulated request that all of Claimants' claims be dismissed with prejudice and that the Panel recommend the expungement of all reference to the above captioned arbitration from Respondents Harlan Van Vooren and Thomas Gibbens' registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondents Harlan Van Vooren and Thomas Gibbens must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive. On November 9, 2004, the panel held a deliberation teleconference and decided to request a Joint Statement of Factual Support for Expungement executed by the parties themselves, not their representatives, before ruling on the expungement request. The parties were unable to provide the above-referenced Joint Statement that was requested by the Panel. On February 22, 2005, Respondents submitted their Statement in Support of Expungement. On March 10, 2005, a telephonic conference call, attended by the party representatives and the Panel, was held and, after extensive deliberation in executive session, the Panel granted the stipulated request for expungement.

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

AWARD

After considering the parties' Stipulation, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. This arbitration claim is dismissed in its entirety with prejudice as to all Respondents.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Harlan Van Vooren's and Thomas Gibbens' registration records maintained by the CRD, with the understanding that pursuant to NASD Notice to Members 99-09, Respondents Harlan Van Vooren and Thomas Gibbens must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. The parties shall bear their respective costs, including attorney's fees.
4. All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	=	300.00
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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. Accordingly, the member firm Salomon Smith Barney, Inc.'s (n.k.a. Citigroup Global Markets, Inc.) is a party and the following fees are assessed:

Member Surcharge	= \$	1,700.00
Pre-Hearing Process Fee	= \$	750.00
<u>Hearing Process Fee</u>	= \$	<u>2,750.00</u>
Total Member Fees	= \$	5,200.00

Adjournment Fees

The following adjournment fees are assessed:

Adjournment of the September 7-15, 2004 hearing dates = \$ 1,125.00

Respondents agreed to pay for this adjournment fee.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session.

Cancellation of September 7-15, 2004 hearing dates: = \$ 300.00

1. The Panel assessed \$150.00 of the 3-day cancellation fee jointly and severally to Claimants.
2. The Panel assessed \$150.00 of the 3-day cancellation fee jointly and severally to Respondents.

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/Panel. The following fees are assessed:

(4) Pre-hearing conference sessions with the Panel @ \$1,125.00/session = \$4,500.00

Pre-hearing conferences:	December 16, 2003	1 session
	January 22, 2004	1 session
	June 14, 2004	1 session
	March 10, 2005	1 session

Total Forum Fees = \$4,500.00

1. The Panel assessed \$562.50 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$2,812.50 of the forum fees jointly and severally to Respondents.
3. The Respondents agreed to pay the \$1,125.00 forum fee for the telephonic conference call held on March 10, 2005.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

Claimants' Administrative Costs = \$ 15.00

Fee Summary

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

Initial Filing Fee	= \$ 300.00
Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$ 562.50
<u>Administrative Costs</u>	<u>= \$ 15.00</u>
Total Fees	= \$ 1,027.50
<u>Less Payments</u>	<u>= \$(1,440.00)</u>
Refund Due	= \$ (412.50)

2. Respondent Salomon Smith Barney, Inc. (n.k.a. Citigroup Global Markets, Inc.) is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
<u>Less Payments</u>	<u>= \$(5,200.00)</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally charged with the following fees and costs:

Adjournment Fee	= \$ 1,125.00
Three-Day Cancellation Fee	= \$ 150.00
<u>Forum Fees</u>	<u>= \$ 3,937.50</u>
Total Fees	= \$ 5,212.50
Less Payments by Salomon Smith Barney, Inc. (n.k.a. Citigroup Global Markets, Inc.)	= \$ (750.00)
Balance Due NASD Dispute Resolution	= \$ 4,462.50

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

ARBITRATION PANEL

Charles E. Farnsworth	- Public Arbitrator, Presiding Chair
Isidoro Berkman	- Public Arbitrator
Thomas H. O'Connor	- Non-Public Arbitrator

Concurring Arbitrators' Signatures

Charles E. Farnsworth

Charles E. Farnsworth
Chair, Public Arbitrator

3/14/05

Signature Date

Thomas H. O'Connor
Non-Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

Isidoro Berkman
Public Arbitrator

Signature Date

3/15/05
Date of Service

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Charles E. Farnsworth	-	Public Arbitrator, Presiding Chair
Isidoro Berkman	-	Public Arbitrator
Thomas H. O'Connor	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

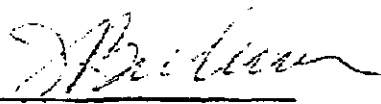
Charles E. Farnsworth
Chair, Public Arbitrator

Signature Date

Thomas H. O'Connor
Non-Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature



Isidoro Berkman
Public Arbitrator

3-14-05
Signature Date

3/15/05
Date of Service

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- Public Arbitrator, Presiding Chair

Isidoro Berkman

- Public Arbitrator

Thomas H. O'Connor

- Non-Public Arbitrator

Concurring Arbitrators' Signatures

Charles E. Farnsworth

Chair, Public Arbitrator

Signature Date

Thomas H. O'Connor

Thomas H. O'Connor

Non-Public Arbitrator

MARCH 14, 2005

Signature Date

Dissenting Arbitrator's Signature

Isidoro Berkman

Public Arbitrator

Signature Date

3/15/05
Date of Service