

**STIPULATED AWARD  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between

Name of Claimant

Patricia Ann Walters

and

03-05905  
Phoenix, Arizona

Name of Respondents

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

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Nature of the Dispute: Customer vs. Member and Associated Person.

**REPRESENTATION OF PARTIES**

Patricia Ann Walters ("**Claimant**") was represented by Mark D. Lammers, Esq., Anson, Lammers & Barkley, P.C., Tucson, Arizona.

Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney ("**Respondent Citigroup**") was represented by Jennifer P. Nore, Esq., Meyer, Hendricks & Bivens, P.A., Phoenix, Arizona.

S. Douglas Cornell ("**Respondent Cornell**") was represented by Armand Salese, Esq., Law Office of Armand Salese, Tucson, Arizona.

**CASE INFORMATION**

The Statement of Claim was filed on August 7, 2003. Submission Agreement of Claimant Patricia Ann Walters was signed on July 30, 2003.

Respondent Smith Barney filed a Response to Statement of Claim on or about November 12, 2003. Submission Agreement of Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney was signed on January 13, 2004.

Respondent Cornell filed a Response to Statement of Claim and Counterclaim on or about January 13, 2004. Submission Agreement of Respondent S. Douglas Cornell was signed on January 12, 2004.

### **CASE SUMMARY**

Claimant's Statement of Claim alleges claims against Respondents for negligence and unsuitability. Claimant also alleges that Respondent Smith Barney failed to supervise Cornell.

Respondents denied the allegations in the Statement of Claim and asserted several affirmative defenses to those allegations. Respondent Cornell asserted a counterclaim

### **RELIEF REQUESTED**

Claimant requested an award in an amount not to exceed \$100,000 in compensatory damages, interest, and opportunity loss. Claimant also requested attorneys' fees and costs.

Respondents requested that the claims asserted against them be dismissed in their entirety and that they be awarded their attorneys' fees and costs. Respondent Cornell requested the expungement of all reference to the above-captioned arbitration from his registration record maintained by the NASD Central Registration Depository ("CRD").

### **OTHER ISSUES CONSIDERED & DECIDED**

The parties advised NASD Dispute Resolution that they entered into an agreement to settle this matter on certain terms and conditions set forth in a confidential settlement agreement.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies. The parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

### **AWARD**

After considering the pleadings and the stipulation of the parties, but without making any findings of fact or conclusions of law, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination and find as follows:

1. The claims asserted in this matter are dismissed in their entirety.
2. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondents Ed Koven'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 Koven must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

3. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party, including the Claimant's Statement of Claim and Respondent Cornell's Counterclaim, are denied with prejudice.
4. Other than the Forum Fees noted below, Respondents Smith Barney and Koven and Claimants shall each bear their own costs and expenses in connection with this proceeding, including but not limited to attorneys' fees.

### **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	= \$225.00
Counter claim filing fee	= \$250.00

#### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm(s) is Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney.

Member surcharge	\$	1,100.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	2,200.00
Total Member Fees	\$	4,050.00

#### **Forum Fees and Assessments**

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing session(s) with Panel	x	1,000.00	\$	1,000.00
April 13, 2004	1	session		
Total Forum Fees			\$	1,000.00

The Arbitration Panel has assessed \$333.33 of the forum fees to Patricia Ann Walters.

The Arbitration Panel has assessed \$333.33 of the forum fees to Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney.

The Arbitration Panel has assessed \$333.33 of the forum fees to S. Douglas Cornell.

**Fee Summary**

Claimant, Patricia Ann Walters, shall be and hereby is liable for:

Initial Filing Fee	= \$	225.00
<u>Forum Fees</u>	= \$	333.33
Total Fees	= \$	558.33
<u>Less payments</u>	= \$	-975.00
Balance to be refunded by NASD Dispute Resolution	= \$	- 416.67

Respondent, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, shall be and hereby is liable for:

Member Fees	= \$	4,050.00
<u>Forum Fees</u>	= \$	333.33
Total Fees	= \$	4,383.33
<u>Less payments</u>	= \$	-3,550.00
Balance Due NASD Dispute Resolution	= \$	833.33

Respondent, S. Douglas Cornell, shall be and hereby is liable for:

Counterclaim Filing Fee	= \$	250.00
<u>Forum Fees</u>	= \$	333.33
Total Fees	= \$	583.33
<u>Less payments</u>	= \$	-500.00
Balance Due NASD Dispute Resolution	= \$	83.33

**All balances are due to NASD Dispute Resolution**

**ARBITRATION PANEL**

Warren C. Kotzmann, Esq. - Public Arbitrator, Presiding Chair  
Lee R. Barbakoff - Public Arbitrator  
Richard G. Brodrick, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Warren C. Kotzmann

Warren C. Kotzmann, Esq.  
Public Arbitrator, Presiding Chair

December 22, 2004

Signature Date

/s/ Lee R. Barbakoff

Lee R. Barbakoff  
Public Arbitrator

December 22, 2004

Signature Date

/s/ Richard G. Brodrick

Richard G. Brodrick, Esq.  
Non-Public Arbitrator

December 22, 2004

Signature Date

12/22/04  
Date of Service (For NASD office use only)

NASD Dispute Resolution  
Arbitration No. 03-05905  
Stipulated Award Page 5 of 5

Concurring Arbitrators:

  
Warren C. Kotzmann, Esq.  
Public Arbitrator, Presiding Chair

12/22/04  
Signature Date

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Lee R. Barbakoff  
Public Arbitrator

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Signature Date

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Richard G. Brodrick, Esq.  
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