

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Denise M. Addicks as Successor Trustee of The 1999 Demaret Family Trust, Claimant v. Citicorp Investment Services f/k/a Cal Fed Investments and Carlos G. Macias, Respondents

Case Number: 04-00228

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimant:

Edward W. Russey, III, Esq.
Law Offices of Edward W. Russey III
Laguna Hills, California

For Respondents:

Douglas J. Rovens, Esq.
Zelle, Hofmann, Voelbel, Mason & Gette LLP
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: January 9, 2004

Claimant's Uniform Submission Agreement signed: March 10, 2004

Respondents' Joint Statement of Answer received: July 19, 2004

Respondent Citicorp Investment Services f/k/a Cal Fed Investments' Uniform Submission Agreement signed: June 28, 2004

Respondent Carlos G. Macias' Uniform Submission Agreement signed: None Filed

CASE SUMMARY

Claimant alleged failure to supervise, breach of fiduciary duty, misrepresentations, omissions, and elder abuse, involving the purchase of the Glenbrook Allstate Fixed Annuity, Franklin Income Series "A" funds, the Dreyfus Transamerica Triple Advantage Fixed Annuity, Oppenheimer mutual funds, the American General Single Premium Deferred Annuity, and the Pacific Life Value Annuity.

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

RELIEF REQUESTED

Claimant requested \$105,420.00 in compensatory damages, unspecified punitive damages, pre- and post judgment interest at the highest legal rate, and costs.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety and a recommendation that any and all references to the claim be expunged from Respondents' records maintained by the NASD Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Carlos G. Macias did not file with NASD Dispute Resolution a properly executed submission agreement; however, Respondent is required to submit to arbitration, and having answered the claim, is bound by the determination of the Panel on all issues submitted.

On March 19, 2004, Claimant and Claimant's 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 *NASD Code of Arbitration Procedure* ("Code") IM-10100, the waiver of the Claimant 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 April 6, 2005, while the arbitration hearings were still ongoing, Claimant agreed to dismiss all claims against Respondents.

The parties have agreed that the Panel enter a Stipulated Award dismissing all claims against Respondents with prejudice and recommending that all references to this arbitration matter be expunged from Respondent Carlos G. Macias' registration records maintained by CRD.

The parties have also agreed that the parties will split the forum fees, fifty percent (50%) to Claimant and fifty percent (50%) to Respondents, and that each party shall bear their own costs and attorney's fees in this matter.

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.

STIPULATED AWARD

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

1. All claims in this case are dismissed with prejudice.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Carlos G. Macias' registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Carlos G. Macias must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. The forum fees will be split fifty percent (50%) to Claimant and fifty percent (50%) to Respondents, and each party will bear their own costs and attorney's fees in this matter.
4. All other relief requested and not expressly granted is denied.

FEES

Pursuant to the 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	= \$ 300.00
--------------------------	-------------

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. Accordingly, the member firm Citicorp Investment Services 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

Three-Day Cancellation Fees

Three-day cancellation fees apply when a hearing on the merits is postponed or settled within three business days before the start of the first scheduled hearing session. The following three-day cancellation fees are assessed:

Cancellation of April 7-8, 2005 hearings dates: = \$ 300.00

1. The Panel assessed \$150.00 of the three-day cancellation fee to Claimant.
2. The Panel assessed \$150.00 of the three-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:

One (1) Pre-hearing conference session with the Panel @ \$1,125.00/session = \$ 1,125.00
Pre-hearing conference: July 22, 2004 1 session

Six (6) Hearing sessions @ \$1,125.00/session = \$ 6,750.00
Hearings: April 4, 2005 2 sessions
April 5, 2005 2 sessions
April 6, 2005 2 sessions

Total Forum Fees = \$ 7,875.00

1. The Panel assessed \$3,937.50 of the forum fees to Claimant.
2. The Panel assessed \$3,937.50 of the forum fees jointly and severally to Respondents.

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.

On April 5, 2005, Claimant requested 16 photocopies @ \$0.50/each = \$ 8.00

Fee Summary

1. Claimant Denise M. Addicks as Successor Trustee of The 1999 Demaret Family Trust is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$ 3,937.50
Administrative Costs	= \$ 8.00
<u>Total Fees</u>	<u>= \$ 4,395.50</u>
<u>Less payments</u>	<u>= \$(1,950.00)</u>
Balance Due NASD Dispute Resolution	= \$ 2,445.50

2. Respondent Citicorp Investment Services f/k/a Cal Fed Investments 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 Citicorp Investment Services f/k/a Cal Fed Investments and Carlos G. Macias are charged jointly and severally with the following fees and costs:

Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$ 3,937.50
<u>Total</u>	<u>= \$ 4,087.50</u>
<u>Less payments</u>	<u>= \$ (0.00)</u>
Balance Due NASD Dispute Resolution	= \$ 4,087.50

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

Mark S. Priver	-	Public Arbitrator, Presiding Chair
A. Joel Klein, JD	-	Public Arbitrator
Stephen Brixey, Jr.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Mark S. Priver
Chair, Public Arbitrator

6/16/05
Signature Date

A. Joel Klein, JD
Public Arbitrator

Signature Date

Stephen Brixey, Jr.
Non-Public Arbitrator

Signature Date

6/20/05
Date of Service

ARBITRATION PANEL

Mark S. Priver	-	Public Arbitrator, Presiding Chair
A. Joel Klein, JD	-	Public Arbitrator
Stephen Brixey, Jr.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Mark S. Priver
Chair, Public Arbitrator

Signature Date



A. Joel Klein, JD
Public Arbitrator

6/16/05
Signature Date

Stephen Brixey, Jr.
Non-Public Arbitrator

Signature Date

6/20/05
Date of Service

ARBITRATION PANEL

Mark S. Priver	-	Public Arbitrator, Presiding Chair
A. Joel Klein, JD	-	Public Arbitrator
Stephen Brixey, Jr.	-	Non-Public Arbitrator

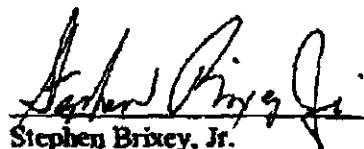
Concurring Arbitrators' Signatures

Mark S. Priver
Chair, Public Arbitrator


Signature Date

A. Joel Klein, JD
Public Arbitrator


Signature Date



Stephen Brixey, Jr.
Non-Public Arbitrator



Signature Date



Date of Service