

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Victor DeLuca and Janice DeLuca (Claimants) v. Salomon Smith Barney and David DePaul (Respondents).

Case Number: 04-01369

Hearing Site: Newark, New Jersey

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

REPRESENTATION OF PARTIES

Claimants Victor DeLuca ("V. DeLuca") and Janice DeLuca ("J. DeLuca") hereinafter collectively referred to as "Claimants": Jeffrey W. Herrman, Esq., Cohn Lifland Pearlman Herrmann & Knopf, Saddle Brook, NJ.

Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc. ("Citigroup") and David DePaul ("DePaul") hereinafter collectively referred to as "Respondents": Richard C. Szuch, Esq., Dillon, Bitar & Luther, L.L.C., Morristown, NJ. Respondent Citigroup was previously represented by William A. Hohaus, Esq., Citigroup Global Markets, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: February 25, 2004.

Claimants signed the Uniform Submission Agreement: February 17, 2004.

Statement of Answer filed by Respondents on or about: September 15, 2004.

Respondent Citigroup signed the Uniform Submission Agreement: September 15, 2004.

Respondent DePaul did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability. The causes of action relate to equity shares of Global Crossing, B shares of a mutual fund known as Munder Future Technology and a portfolio of stocks managed by Respondent Citigroup and TCW Investment Management, Co. known as Midcap Growth.

Unless specifically admitted in its Answer, Respondents denied the allegations of wrongdoing set forth in the Statement of Claim.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$120,000; interest; attorneys' fees; and the cost of arbitration.

Respondents requested dismissal of the Statement of Claim in its entirety and that Respondents be awarded their costs.

OTHER ISSUES CONSIDERED AND DECIDED

The Parties mediated this matter on May 26, 2005 before Howard S. Eilen, Esq. of Lehman and Eilen, LLP, Uniondale, New York.

The Parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

Respondent DePaul did not file with NASD Dispute Resolution a properly executed submission agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

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

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. The listed Parties have amenablely resolved their differences and have requested this Stipulated Award.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent DePaul'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 DePaul must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
3. The Parties shall bear their respective costs, including attorneys' fees.
4. Any and all relief not specifically addressed herein, including punitive damages, is denied

in its entirety.

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	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm Citigroup Global Markets, Inc. is a party.

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

Adjournment Fees

The following adjournment fees are assessed:

June 1-5, 2005 adjournment requested jointly by Claimants and Respondents	= \$ 1,125.00
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Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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. Forum fees associated with these proceedings are:

One (1) Pre-hearing conference session with the Panel @ \$1,125.00	= \$ 1,125.00
Pre-hearing conferences: August 31, 2004 1 session	
<hr/> Total Forum Fees	<hr/> = \$ 1,125.00

1. The Panel has assessed \$375.00 of the forum fees against the Claimants.
2. The Panel has assessed \$750.00 of the forum fees jointly and severally against Respondent Citigroup and Respondent DePaul.

Fee Summary

1. Claimants are solely liable for:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 562.50
Forum Fees	= \$ 375.00
Total Fees	= \$ 1,237.50
<u>Less payments</u>	<u>= \$ 1,237.50</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent Citigroup is solely liable for:

<u>Member Fees</u>	<u>= \$ 5,200.00</u>
Total Fees	= \$ 5,200.00
<u>Less payments</u>	<u>= \$ 5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Citigroup and DePaul are jointly and severally liable for:

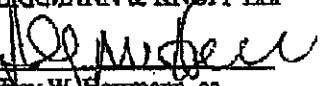
Adjournment Fee	= \$ 562.50
Forum Fees	= \$ 750.00
Total Fees	= \$ 1,312.50
<u>Less Payments</u>	<u>= \$ 650.00</u>
Balance Due NASD Dispute Resolution	= \$ 662.50

All balances are due and payable to NASD Dispute Resolution.

NASD Dispute Resolution
Arbitration No. 04-01369
Award Page 5 of 6

Parties' Signatures

COHN LIFLAND PEARLMAN
HERRMANN & KNOPF LLP


By 
Jeffrey W. Herrmann, as,
Counsel for Victor DeLuca, Claimant

7/6/05
Signature Date


COHN LIFLAND PEARLMAN
HERRMANN & KNOPF LLP

By 
Jeffrey W. Herrmann, as
Counsel for Janice DeLuca, Claimant

7/6/05
Signature Date


William A. Hohaus
Citigroup Global Markets, Inc.
Respondent

7/12/05
Signature Date


David DePaul
Respondent


7/12/05
Signature Date

ARBITRATION PANEL

Karimu F. Hill-Harvey, Esq.	-	Public Arbitrator, Presiding Chair
Staci Williams, J.D.	-	Public Arbitrator
Yvonne F. Rocco, Esq.	-	Industry 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 is which is my award.


Karimu F. Hill-Harvey, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Yvonne F. Rocco, Esq.
Industry Arbitrator

Signature Date

Dissenting Arbitrator's Signature

Staci Williams, J.D.
Public Arbitrator

Signature Date

October 14, 2005

Date of Service (For NASD office use only)

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NASD Dispute Resolution
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Signature Date

Yvonne F. Rocco, Esq.
Industry Arbitrator

Signature Date

Dissenting Arbitrator's Signature



Staci Williams, J.D.
Public Arbitrator

10/05/05
Signature Date

October 14, 2005
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