

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Sheryl L. Walker, IRA, Claimant v. Prudential Equity Group, LLC f/k/a Prudential Securities, Inc., Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., Presidential Brokerage, Inc., Jason A. Dominicak, Lee A. Tripodi, and Glenn P. Mazzone, Respondents

Case Number: 04-01747

Hearing Site: San Diego, California

Nature of the Dispute: Customer v. Members and Associated Persons

REPRESENTATION OF PARTIES

For Claimant:

Brian D. Miller, Esq.
Bradd L. Milove, Esq.
Miller Milove & Kob
San Diego, California

For Respondents Prudential Equity Group, LLC
f/k/a Prudential Securities, Inc.
and Glenn P. Mazzone:

Thomas P. Laffey, Esq.
Jennifer S. Romano, Esq.
Jennifer M. Roggenkamp, Esq.
Folger Levin & Kahn LLP
Los Angeles, California

For Respondents Citigroup Global Markets, Inc.
f/k/a Salomon Smith Barney, Inc. and Lee A. Tripodi:

Stacey M. Garrett, Esq.
Keesal, Young & Logan
Long Beach, California

For Respondent Presidential Brokerage, Inc.:

Gregg A. Johnson, Esq.
Attorney At Law
San Diego, California

For Respondent Jason A. Dominicak:

For Employment with Prudential
Equity Group, LLC f/k/a Prudential
Securities, Inc.
Thomas P. Laffey, Esq.
Jennifer S. Romano, Esq.
Jennifer M. Roggenkamp, Esq.
Folger Levin & Kahn LLP
Los Angeles, California

For Employment with Citigroup
Global Markets, Inc. f/k/a Salomon
Smith Barney, Inc.
Stacey M. Garrett, Esq.
Keesal, Young & Logan
Long Beach, California

For Employment with Presidential
Brokerage, Inc.
Gregg A. Johnson, Esq.
Attorney At Law
San Diego, California

CASE INFORMATION

Statement of Claim filed: March 12, 2004

Amended Statement of Claim filed: December 8, 2004

Claimant's Uniform Submission Agreement signed: March 9, 2004

Joint Statement of Answer to Amended Statement of Claim filed by Respondents Prudential
Equity Group, LLC, Jason A. Dominicak, and Glenn P. Mazzone: February 4, 2005

Joint Statement of Answer to Statement of Claim filed by Respondents Citigroup Global Markets,
Inc., Jason A. Dominicak, and Lee A. Tripodi: June 3, 2004

Joint Statement of Answer to Amended Statement of Claim filed by Respondents Citigroup
Global Markets, Inc., Jason A. Dominicak, and Lee A. Tripodi: December 17, 2004

Joint Statement of Answer to Statement of Claim filed by Respondent Presidential Brokerage,
Inc. and Jason A. Dominicak: May 19, 2004

Respondent Prudential Equity Group, LLC's Uniform Submission Agreement signed:
February 3, 2005

Respondent Citigroup Global Markets, Inc.'s Uniform Submission Agreement signed:
June 21, 2004

Respondent Jason A. Dominicak's Uniform Submission Agreement signed: April 1, 2004 and
June 22, 2004

Respondent Lee A. Tripodi's Uniform Submission Agreement signed: June 11, 2004

Respondent Glenn P. Mazzone's Uniform Submission Agreement signed: January 27, 2005

CASE SUMMARY

Claimant alleged breach of fiduciary duty, constructive fraud, violations of the Securities and Exchange Act of 1934, §10(b), §20, and Rule 10b-5, Securities Act of 1933, §11, §12, and §15, liability of principal for Acts of Agent, Respondeat Superior, common law fraud, violation of California Corporations Code §25401, 25501, and 25504, unfair sales practices, negligence, gross negligence, negligent misrepresentation, breach of contract, and breach of covenant of good faith and fair dealing. The dispute involved, but was not limited to, Qualcomm, Inc. stock.

Unless specifically admitted in their Answers, Respondents denied the allegations made in the Statements of Claim and asserted affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages exceeding \$2,000,000.00, disgorgement of excessive commissions, margin interest and compensation received by Respondents, all losses associated with what funds should have earned if appropriately received and lost opportunity costs, unspecified exemplary or punitive damages, pre-judgment and post-judgment interest at the maximum legal rate from the date of the original investment, and costs, including attorney's fees.

Respondents Prudential Equity Group, LLC, Jason A. Dominicak, and Glenn P. Mazzone requested dismissal of the Claimant's Statements of Claim in their entirety, and costs, including attorney's fees. Additionally, Respondents Jason A. Dominicak and Glenn P. Mazzone requested expungement of all reference to this matter from their NASD Central Registration Depository ("CRD") records.

Respondents Citigroup Global Markets, Inc., Jason A. Dominicak, and Lee A. Tripodi requested dismissal of the Claimant's Statements of Claim in their entirety, and costs, including attorney's fees. Additionally, Respondents Jason A. Dominicak and Lee A. Tripodi requested expungement of all reference to this matter from their CRD records.

Respondents Presidential Brokerage, Inc. and Jason A. Dominicak requested dismissal of the Claimant's Statement of Claim in its entirety, and costs, attorney's fees and disbursements be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

On October 27, 2004, Claimant filed a Motion to File an Amended Statement of the Claim. On October 12, 2004, Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., Jason A. Dominicak, and Lee A. Tripodi filed notice that they did not oppose the motion. On December 8, 2004, the Panel granted Claimant's Motion to Amend the Statement of Claim. Prudential Equity Group, LLC f/k/a Prudential Securities, Inc. and Glenn P. Mazzone were added as Respondents in Claimant's Amended Statement of Claim.

On March 22, 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 *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.

Respondent Presidential Brokerage, Inc. did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim and participated in pre-hearing conferences, is bound by the determination of the Panel on all issues submitted.

At the hearing, Claimant represented she had settled her claims in this proceeding against Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and Lee A. Tripodi and partially against Jason A. Dominicak for the sum of \$538,500.00. Claimant represented that she had settled her claims in this proceeding against Respondents Presidential Brokerage, Inc. and partially against Jason A. Dominicak for the sum of \$60,000.00. Respondent Jason A. Dominicak confirmed that the foregoing was true. No appearance was made at the hearing by Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., Presidential Brokerage, Inc., and Lee A. Tripodi. After the hearing in this matter, but prior to deliberations, Respondents Prudential Equity Group, LLC f/k/a Prudential Securities, Inc., Jason A. Dominicak and Glenn Mazzone filed a post hearing arbitration brief. Claimant filed a two page letter in opposition. The Panel did not consider the post hearing arbitration brief as it was not authorized by the Code of Arbitration Procedure nor requested by the Panel and the matter had already been extensively briefed and argued by all parties. The Panel did not consider arguments advanced by Claimant on the merits for the same reasons and only considered the objection which was well taken.

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

After considering the pleadings, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents Prudential Equity Group, LLC f/k/a Prudential Securities, Inc., Jason A. Dominicak, and Glenn P. Mazzone are jointly and severally liable to and shall pay Claimant \$316,295.00 in compensatory damages.
- 2) Respondents Prudential Equity Group, LLC f/k/a Prudential Securities, Inc., Jason A. Dominicak, and Glenn P. Mazzone are jointly and severally liable to and shall pay Claimant \$500.00 as reimbursement of the filing fee.
- 3) Claimant's request for punitive damages is denied.
- 4) Except as awarded above, the parties shall bear their respective costs, including attorney's fees.
- 5) 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	= \$ 500.00
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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.

The member firm Prudential Equity Group, LLC is a party and the following fees are assessed:

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,000.00
Total Member Fees	= \$ 8,550.00

The member firm Citigroup Global Markets, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,000.00
Total Member Fees	= \$ 8,550.00

The member firm Presidential Brokerage, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,000.00
Total Member Fees	= \$ 8,550.00

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 arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing conference sessions with a single arbitrator @ \$450.00/session= \$ 900.00

Pre-hearing conferences:	March 28, 2005	1 session
	May 2, 2005	1 session

One (1) Pre-hearing conference session with the Panel @ \$1,200.00/session = \$ 1,200.00

Pre-hearing conference:	August 9, 2004	1 session
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Ten (10) Hearing sessions @ \$1,200.00/session = \$ 12,000.00

Hearings:	May 23, 2005	2 sessions
	May 24, 2005	2 sessions
	May 25, 2005	2 sessions
	May 26, 2005	2 sessions
	May 27, 2005	2 sessions

Total Forum Fees = \$ 14,100.00

1. The Panel assessed \$337.50 of the forum fees to Claimant.
2. The Panel assessed \$512.50 of the forum fees jointly and severally to Respondents Presidential Brokerage, Inc. and Jason A. Dominicak.
3. The Panel assessed \$737.50 of the forum fees jointly and severally to Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., Jason A. Dominicak, and Lee A. Tripodi.
4. The Panel assessed \$12,512.50 of the forum fees jointly and severally to Prudential Equity Group, LLC f/k/a Prudential Securities, Inc., Jason A. Dominicak, and Glenn P. Mazzone.

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 337.50
Total Fees	= \$ 837.50
Less payments	= \$(1,700.00)
Refund Due Claimant	= \$(862.50)

2. Respondent Prudential Equity Group, LLC f/k/a Prudential Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 8,550.00
<u>Less payments</u>	= \$(8,550.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. is charged with the following fees and costs:

Member Fees	= \$ 8,550.00
<u>Less payments</u>	= \$(8,550.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Respondent Presidential Brokerage, Inc. is charged with the following fees and costs:

Member Fees	= \$ 8,550.00
<u>Less payments</u>	= \$(8,550.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

5. Respondents Presidential Brokerage, Inc. and Jason A. Dominick are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 512.50
Balance Due NASD Dispute Resolution	= \$ 512.50

6. Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., Jason A. Dominick, and Lee A. Tripodi are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 737.50
Balance Due NASD Dispute Resolution	= \$ 737.50

7. Respondents Prudential Equity Group, LLC f/k/a Prudential Securities, Inc., Jason A. Dominick, and Glenn P. Mazzone are charged jointly and severally with the following fees and costs:


Forum Fees	= \$ 12,512.50
Balance Due NASD Dispute Resolution	= \$ 12,512.50

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.

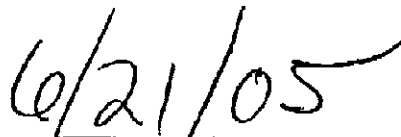
ARBITRATION PANEL

Steven J. Roberts	-	Public Arbitrator, Presiding Chair
Katherine Jane Morris	-	Public Arbitrator
Linda Marie Edson	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Steven J. Roberts
Chair, Public Arbitrator



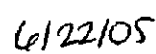
Signature Date

Katherine Jane Morris
Public Arbitrator

Signature Date

Linda Marie Edson
Non-Public Arbitrator

Signature Date



Date of Service

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Steven J. Roberts	-	Public Arbitrator, Presiding Chair
Katherine Jane Morris	-	Public Arbitrator
Linda Marie Edson	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Steven J. Roberts
Chair, Public Arbitrator

Signature Date


Katherine Jane Morris
Public Arbitrator

6/22/05
Signature Date

Linda Marie Edson
Non-Public Arbitrator

Signature Date

6/22/05
Date of Service

ARBITRATION PANEL

Steven J. Roberts	-	Public Arbitrator, Presiding Chair
Katherine Jane Morris	-	Public Arbitrator
Linda Marie Edson	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Steven J. Roberts
Chair, Public Arbitrator

Signature Date

Katherine Jane Morris
Public Arbitrator

Signature Date

Linda M. Edson

Linda Marie Edson
Non-Public Arbitrator

7/5/05

Signature Date

Date of Service