

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

James H. Silberman and Selma Shapiro (Claimants) v. John Spooner and Salomon Smith Barney
a/k/a Citigroup Global Markets, Inc. (Respondents)

Case Number: 04-01791

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimants James H. Silberman ("Silberman") and Selma Shapiro ("Shapiro") hereinafter collectively referred to as "Claimants": Peter R. Ginsberg, Esq., New York, NY.

Respondents Salomon Smith Barney ("Smith Barney") and John Spooner ("Spooner") hereinafter collectively referred to as "Respondents": Brian F. Amery, Esq., Bressler, Amery & Ross, P.C., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: March 15, 2004.

Claimants signed the Uniform Submission Agreement: March 8, 2004.

Answer to the Statement of Claim filed by Respondents on or about: May 14, 2004.

Respondent Spooner signed the Uniform Submission Agreement: May 14, 2004.

Respondent Smith Barney did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; breach of fiduciary duty; negligence; violations of NASD and NYSE Rules; and violations of §10(b) of the Securities Exchange Act and Rule 10b-5. The causes of action relate to common stock in WorldCom, AT&T, AT&T Wireless and Global Crossing.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$5,000,000.00; the reasonable value of the lost income/investment opportunity occasioned by this loss, in an amount to be determined by the Panel; punitive damages in an amount no less than \$15,000,000.00; and attorneys' fees.

Respondents requested that the Statement of Claim be dismissed in its entirety; that the arbitrators enter an order expunging or striking this claim from Mr. Spooner's permanent registration records maintained by the CRD; and that the arbitrators award Respondents costs and other further relief as they deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

At the hearing, the Panel considered Respondents Motion to Dismiss. After due consideration the Panel denied the Motion.

At the hearing, the Panel considered Respondent's Spooner's request for expungement. After due consideration the Panel granted the request.

Respondent Smith Barney 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, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

The parties have 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, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are denied in their entirety.
2. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Spooner'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 Spooner must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
3. Any an all relief not specifically addressed herein, including punitive damages is denied.

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 = \$ 600.00

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. Accordingly, Citigroup Global Markets, Inc. is a party.

Member surcharge = \$ 3,750.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 5,500.00

Total Member Fees = \$10,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

March 1 - 4, 2005, adjournment by Claimants, joint and several = \$ 600.00

March 1 - 4, 2005, adjournment by Respondents, joint and several = \$ 600.00

June 27-30, 2005, adjournment by Claimants, joint and several = \$ 750.00

June 27-30, 2005, adjournment by Respondents, joint and several = \$ 750.00

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:

March 1 - 4, 2005, adjournment by Claimants, joint and several = \$ 150.00

March 1 - 4, 2005, adjournment by Respondents, joint and several = \$ 150.00

Forum Fees and Assessments

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

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00

Pre-hearing conference: February 2, 2005 1 session

Two (2) Pre-hearing sessions with Panel @ \$1,200.00 = \$ 2,400.00

Pre-hearing conferences: September 14, 2004 1 session

July 15, 2005 1 session

Eight (8) Hearing sessions @ \$1,200.00 = \$ 9,600.00

Hearing Dates: September 8, 2005 2 sessions

September 9, 2005 2 sessions

September 10, 2005 2 sessions

October 14, 2005 2 sessions

Total Forum Fees = \$ 12,450.00

1. The Panel has assessed \$3,112.50 of the forum fees to Claimant Silberman.
2. The Panel has assessed \$3,112.50 of the forum fees to Claimant Shapiro.
3. The Panel has assessed \$3,112.50 of the forum fees to Respondent Smith Barney
4. The Panel has assessed \$3,112.50 of the forum fees to Respondent Spooner.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Three-Day Cancellation Fee	= \$ 150.00
<u>Adjournment Fee</u>	<u>= \$ 1,350.00</u>
Total Fees	= \$ 2,100.00
<u>Less payments</u>	<u>= \$ 1,800.00</u>
Balance Due NASD Dispute Resolution	= \$ 300.00

2. Claimants Silberman is solely liable for:

<u>Forum Fees</u>	<u>= \$ 3,112.50</u>
Total Fees	= \$ 3,112.50
<u>Less Payments</u>	<u>= \$ 00.00</u>
Balance Due NASD Dispute Resolution	= \$ 3,112.50

3. Claimant Shapiro is solely liable for:

<u>Forum Fees</u>	<u>= \$ 3,112.50</u>
Total Fees	= \$ 3,112.50
<u>Less Payments</u>	<u>= \$ 00.00</u>
Balance Due NASD Dispute Resolution	= \$ 3,112.50

4. Respondent Smith Barney is solely liable for:

Member Fees	= \$10,000.00
<u>Forum Fees</u>	<u>= \$ 3,112.50</u>
Total Fees	= \$13,112.50
<u>Less payments</u>	<u>= \$10,250.00</u>
Balance Due NASD Dispute Resolution	= \$ 2,862.50

5. Respondents Smith Barney and Spooner are jointly and severally liable for:

Adjournment Fees	= \$ 1,350.00
<u>Three-Day Cancellation Fee</u>	<u>= \$ 150.00</u>
Total Fees	= \$ 1,500.00
<u>Less Payments</u>	<u>= \$ 1,500.00</u>
Balance Due NASD Dispute Resolution	= \$ 00.00

6. Respondent Spooner is solely liable for:

<u>Forum Fees</u>	= \$ 3,112.50
<u>Total Fees</u>	= \$ 3,112.50
<u>Less Payments</u>	= \$ 00.00
Balance Due NASD Dispute Resolution	= \$ 3,112.50


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

ARBITRATION PANEL

Robert Bennett	-	Public Arbitrator, Presiding Chairperson
Richard L. Muney	-	Public Arbitrator
Jeannette Yvonne Gerber	-	Non-Public 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, which is my award.


Robert Bennett
Public Arbitrator, Presiding Chairperson

11/1/05
Signature Date

Richard L. Muney
Public Arbitrator

Signature Date

Jeannette Yvonne Gerber
Non-Public Arbitrator

Signature Date

November 11, 2005
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

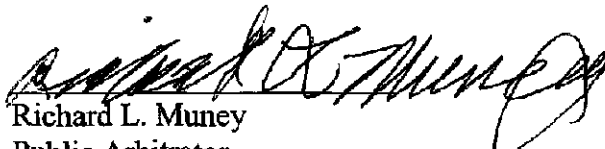
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