

**Stipulated Award**  
**NASD Dispute Resolution**

---

In the Matter of the Arbitration Between:

Citigroup Global Markets Inc., Rick Phillips, Martin Erzinger, and Allan Barrows, Claimants v.  
Cardi Prinzi and Lori Franzke, Respondents

Case Number: 05-02972

Hearing Site: San Francisco, California

---

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

**REPRESENTATION OF PARTIES**

For Claimants:

Michael P. Manly, Esq.  
Neal, Gerber & Eisenberg, LLP  
Chicago, Illinois

For Respondents:

Timothy D. Murphy, Esq.  
Law Offices of James Jay Seltzer  
Emeryville, California

**CASE INFORMATION**

Statement of Claim filed: June 6, 2005

Claimant Citigroup Global Markets Inc.'s Uniform Submission Agreement signed: not dated

Claimant Rick Phillips' Uniform Submission Agreement signed: not dated

Claimant Martin Erzinger's Uniform Submission Agreement signed: not dated

Claimant Allan Barrows' Uniform Submission Agreement signed: not dated

Joint Statement of Answer filed by Respondents: August 2, 2005

### **CASE SUMMARY**

Claimants seek entry of a Stipulated Award pursuant to a settlement agreement reached in *NASD Case 01-05533 Cardi Prinzi and Lori Franzke v. Citigroup, Inc., Salomon Smith Barney Inc. (n/k/a/ Citigroup Global Markets, Inc.), Rick Phillips, Martin Erzinger, Allan Barrow, and Jack Grubman*.

Respondents stipulated to the facts as set forth in Claimants' Statement of Claim and to the request for a Stipulated Award.

### **RELIEF REQUESTED**

Claimants requested dismissal of all claims in *NASD Case 01-05533 Cardi Prinzi and Lori Franzke v. Citigroup, Inc., Salomon Smith Barney Inc. (n/k/a/ Citigroup Global Markets, Inc.), Rick Phillips, Martin Erzinger, Allan Barrow, and Jack Grubman* with prejudice and expungement of all references to NASD Case 01-05533 from Rick Phillips, Martin Erzinger and Allan Barrows' registration records maintained by the NASD Central Registration Depository.

Respondents stipulated to the entry of the Stipulated Award as described in Claimants' Statement of Claim based upon the agreement of the parties that no monetary awards, fees, or costs shall be assessed against Respondents.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondents did not file with the NASD Dispute Resolution a properly executed submission agreement but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

On October 14, 2005, Claimants, at the Panel's request, submitted a Memorandum Regarding The Applicable Standard to Claimants' Request for Expungement. On October 28, 2005, the Panel held a telephonic conference with the parties and, after due deliberation, determined that the expungement rules applicable to this matter are those that were in effect prior to April 12, 2004. The Panel also confirmed that an in-person evidentiary hearing will be required and that such hearing shall proceed as previously scheduled.

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) Claimants' request for the entry of a Stipulated Award is granted.
- 2) Any and all claims asserted in *NASD Case 01-05533 Cardi Prinzi and Lori Franzke v. Citigroup, Inc., Salomon Smith Barney Inc. (n/k/a/ Citigroup Global Markets, Inc.), Rick Phillips, Martin Erzinger, Allan Barrow, and Jack Grubman* are dismissed with prejudice pursuant to a settlement reached between this parties in that matter.
- 3) The Panel recommends the expungement of all references to *NASD Case 01-05533 Cardi Prinzi and Lori Franzke v. Citigroup, Inc., Salomon Smith Barney Inc. (n/k/a/ Citigroup Global Markets, Inc.), Rick Phillips, Martin Erzinger, Allan Barrow, and Jack Grubman* from Rick Phillips', Martin Erzinger's and Allan Barrows' 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, Rick Phillips, Martin Erzinger and Allan Barrows must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive. As noted in the "Other Issues Considered and Decided" section of this Award, the Panel determined that the expungement rules applicable to this matter are those that were in effect prior to April 12, 2004.
- 4) 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
--------------------------	-------------

#### **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 Citigroup Global Markets Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 2,200.00</u>
<b>Total Member Fees</b>	<b>= \$ 4,450.00</b>

#### **Adjournment Fees**

The following adjournment fees are assessed:

Adjournment of the December 7-8, 2005 hearings requested by Claimants	= \$ 1,000.00
--	---------------

The Panel assessed the adjournment fee jointly and severally to Claimants.

#### **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 or the parties and the Panel. The following fees are assessed:

(3) Pre-hearing conference sessions with the Panel @ \$1,000.00/session	= \$ 3,000.00
Pre-hearing conferences:	
September 22, 2005	1 session
October 28, 2005	1 session
December 5, 2005	1 session

(2) Hearing sessions @ \$1,000.00/session	= \$ 2,000.00
Hearings:	
March 14, 2006	2 sessions

---

<b>Total Forum Fees</b>	<b>= \$ 5,000.00</b>
-------------------------	----------------------

1. Claimants agreed to pay all forum fees in this matter.

**Fee Summary**

1. Claimants Citigroup Global Markets Inc., Rick Phillips, Martin Erzinger and Allan Barrows are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 500.00
Adjournment Fee	= \$ 1,000.00
<u>Forum Fees</u>	<u>= \$ 5,000.00</u>
Total Fees	= \$ 6,500.00
<u>Less payments</u>	<u>=(4,750.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 1,750.00</b>

2. Claimant Citigroup Global Markets Inc. is charged with the following fees and costs:

Member Fees	= \$ 4,450.00
<u>Less payments</u>	<u>=(4,450.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>

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**

Barbara M. Anscher	-	Public Arbitrator, Presiding Chair
Laurel Littman Gothelf	-	Public Arbitrator
Nicholas J. Caputo	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

Barbara M. Anscher

Barbara M. Anscher  
Chair, Public Arbitrator

3-15-06

Signature Date

Laurel Littman Gothelf  
Public Arbitrator

Signature Date

Nicholas J. Caputo  
Non-Public Arbitrator

Signature Date

3/16/06

Date of Service

**ARBITRATION PANEL**

Barbara M. Anscher	•	Public Arbitrator, Presiding Chair
Laurel Littman Gothelf	•	Public Arbitrator
Nicholas J. Caputo	•	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Barbara M. Anscher  
Chair, Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
*Laurel Littman Gothelf*

Laurel Littman Gothelf  
Public Arbitrator

\_\_\_\_\_  
3-15-06  
Signature Date

\_\_\_\_\_  
Nicholas J. Caputo  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
3/16/06  
Date of Service

**ARBITRATION PANEL**

Barbara M. Anscher	-	Public Arbitrator, Presiding Chair
Laurel Littman Gothelf	-	Public Arbitrator
Nicholas J. Caputo	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Barbara M. Anscher  
Chair, Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Laurel Littman Gothelf  
Public Arbitrator

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
Nicholas J. Caputo  
Non-Public Arbitrator

3/15/06  
\_\_\_\_\_  
Signature Date

3/16/06  
\_\_\_\_\_  
Date of Service