

AWARD

NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimants

Ali and Nayereh Rassoulpour

98-00054

Name of Respondent

Smith Barney Inc.

REPRESENTATION

Claimants Ali and Nayereh Rassoulpour ("Claimant") represented themselves.

Respondent Salomon Smith Barney, Inc. ("Respondent") was represented by Ann Parry, First Vice President, Associate General Counsel for Salomon Smith Barney, New York, NY.

CASE INFORMATION

Statement of Claim filed: December 24, 1997

Claimants' Submission Agreement signed on: February 3, 1998

Statement of Answer filed by Respondent on: April 8, 1998

Respondent's Submission Agreement signed on: April 8, 1998

HEARING INFORMATION

Pre-Hearing Conference: July 28, 1998 - one session

Hearing Date/Sessions: September 15, 1998 - one session

Hearing Location: NASD Regulation, Inc., 1801 K Street, NW, Washington, DC

CASE SUMMARY

Claimants alleged, among other things, that on December 30, 1996 that they directed their financial consultant to buy a put option at \$65 to protect their 1,000 share position of Zitel Corp. ("ZITL"). Claimants alleged that Respondent failed to execute Claimants' order and that as a result Claimants incurred a loss of \$20,000.

Respondent categorically denied all allegations of wrongdoing asserted by Claimants. Respondent maintained that Claimants never gave instructions to purchase put options on their ZITL position. Respondent maintained that, in any event, Claimants suffered no damages since they purchased the 1000 ZITL shares at \$30.375 a share and sold them at \$35.25 a share.

RELIEF REQUESTED

Claimants requested \$20,000 for the loss on their investment and \$400 in arbitration fees.

Respondent requested that Claimants' claim be dismissed in its entirety and that all costs of this proceeding be assessed against Claimants. At the hearing, Respondent requested that any reference to the Claimants' complaint be expunged from the financial consultant Mick Dadlani's record.

AWARD

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

1. That Claimants' claim is denied in its entirety.
2. That the parties shall bear their respective costs, including attorney's fees, except as costs and forum fees are addressed below.
3. That Respondent Salomon Smith Barney is to file an amended Form U-5 on behalf of Mick Dadlani that removes any and all references to this arbitration on his CRD.
4. All other relief requests not specifically addressed are denied in their entirety.

OTHER COSTS

Pursuant to Rule 10333 of the Code of Arbitration Procedure ("Code"), Respondent was assessed a Member Surcharge fee of \$400 and a Processing Fee of \$600. Both fees have been paid by Respondent.

FORUM FEES

Pursuant to Rule 10332(c) of the Code, the following Forum Fees are assessed.

$(1 \text{ pre hearing conference} \times \$300) + (1 \text{ hearing session} \times \$300) = \$600$ minus \$300 hearing session deposit filed by Claimants = \$300 net due

The remaining forum fees of \$300 are assessed against Respondent.


Fees are payable to NASD Regulation, Inc. Office of Dispute Resolution

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Date Award Signed

Arbitrator's Signature

Sept 29, 1998



Morris J. Levin, Esq.
Presiding Arbitrator
Public Arbitrator

Date Award Served by NASD Regulation: October 7, 1998