

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Barbara Cesmat, (Claimant) vs. Salomon Smith Barney, Alan Griffin and Phil Butts, (Respondents).

Case Number: 99-00143

Hearing Site: San Francisco, California.

REPRESENTATION OF PARTIES

Barbara Cesmat: Steven Glaser, Esq., Gelfand Rappaport & Glaser, Los Angeles, California.

Salomon Smith Barney Inc. ("SSB") and Alan Griffin: Harry T. Walters, Esq., Salomon Smith Barney Inc., New York, New York.

Phil Butts: Robert L. Gonser, Esq., Resolution Law Group, Lafayette, California.

CASE INFORMATION

Statement of Claim filed on or about: January 5, 1999.

Claimant signed the Uniform Submission Agreement: October 21, 1998.

Statement of Answer filed by SSB and Griffin on or about: April 1, 1999.

SSB executed the Uniform Submission Agreement: March 29, 1999.

Griffin signed the Uniform Submission Agreement: March 26, 1999.

Statement of Answer filed by Butts on or about: April 1, 1999.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; respondeat superior; securities fraud violations of Section 10(b) and Rule 10b-5 and controlling persons liability under Sec. 20 of the Securities Exchange Act; state law constructive fraud; professional negligence; negligent supervision.

The Respondents denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$1,400,000
Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	\$180,809
Costs	\$41,042

Emotional Distress Damages

Unspecified

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Butts did not file with the NASD Regulation, Inc. Office of Dispute Resolution a properly executed submission to arbitration 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, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The Claimant is awarded and Respondents, jointly and severally, shall pay to Claimant the sum \$650,000 representing damages;
2. The Claimant is awarded and Respondents, jointly and severally, shall pay to Claimant attorneys' fees in the amount of \$120,539.34;
3. The Claimant is awarded and Respondents, jointly and severally, shall pay costs to Claimant the amount of \$27,361.34;
4. All claims for punitive damages are denied;
5. All claims for emotional distress damages are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$250

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter Salomon Smith Barney, the member firm, is a party.

Member surcharge	= \$2,500
Pre-hearing process fee	= \$ 600
<u>Hearing process fee</u>	<u>= \$4,500</u>
Total Member Fees	= \$7,600

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Claimant requested copies of prior awards = \$45

Forum Fees and Assessments

The Arbitrator Panel assesses forum fees for each hearing session conducted. A hearing 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:

Three (3) Pre-hearing session(s) with Panel x \$1,000	= \$3,000
Pre-hearing conference(s):	December 17, 1999 1 session;
	January 20, 2000 1 session;
	April 12, 2000 1 session.
Thirteen (13) Hearing sessions x \$1,000	= \$13,000
Hearing Date(s):	April 25, 2000 2 sessions;
	April 26, 2000 2 sessions;
	April 27, 2000 2 sessions;
	April 28, 2000 2 sessions;
	May 30, 2000 2 sessions;
	May 31, 2000 2 sessions;
	June 1, 2000 1 sessions;
Total Forum Fees	= \$16,000

The Panel has assessed all forum fees jointly and severally to Respondents.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 250
<u>Administrative Costs</u>	<u>= \$ 45</u>
Total Fees	= \$ 295
<u>Less payments</u>	<u>= \$1,545</u>

Balance <Refund> = <\$1,250>

2. Respondent is solely liable for:

<u>Member Fees</u>	= \$7,600
Total Fees	= \$7,600
<u>Less payments</u>	= \$7,600
Balance Due NASD Regulation, Inc.	= \$ 0

3. Respondents Salomon Smith Barney, Alan Griffin and Phil Butts are jointly and severally liable for:

<u>Forum Fees</u>	= \$16,000
Balance Due NASD Regulation, Inc.	= \$16,000

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signature(s)

Neil G. Clem
Industry Arbitrator, Presiding Chair

Signature Date

Michael C. Anigbogu, Esq.
Public Arbitrator

Signature Date

Cheryl R. Kershner, Esq.
Public Arbitrator

Signature Date

Date Served:

AUG 11 2000

NASD Regulation, Inc. Office of Dispute Resolution
Arbitration No. 99-00143
Award Page 4 of 4

Balance <Refund> = <\$1,250>

2. Respondent is solely liable for:

Member Fees = \$7,600

Total Fees = \$7,600

Less payments **= \$7,600**

Balance Due NASD Regulation, Inc.	= \$	0
-----------------------------------	------	---

3. Respondents Salomon Smith Barney, Alan Griffin and Phil Butts are jointly and severally liable for:

Forum Fees = \$16,000

Balance Due NASD Regulation, Inc.	= \$16,000
-----------------------------------	------------

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signature(s)

Will Allen

Neil G. Clem
Industry Arbitrator, Presiding Chair

Signature Date 8/8/2000

Michael C. Anigbogu, Esq.
Public Arbitrator

Signature Date

Cheryl R. Kershner, Esq.
Public Arbitrator

Signature Date

Date Served:

AUG 1 1 2000

Balance <Refund> = <\$1,250>

2. Respondent is solely liable for:

<u>Member Fees</u>	= \$7,600
<u>Total Fees</u>	= \$7,600
<u>Less payments</u>	= \$7,600
Balance Due NASD Regulation, Inc.	= \$ 0

3. Respondents Salomon Smith Barney, Alan Griffin and Phil Butts are jointly and severally liable for:

<u>Forum Fees</u>	= \$16,000
Balance Due NASD Regulation, Inc.	= \$16,000

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signature(s)

Neil G. Clem
Industry Arbitrator, Presiding Chair

Signature Date



Michael C. Anigbogu, Esq.
Public Arbitrator

8/8/00

Signature Date

Cheryl R. Kershner, Esq.
Public Arbitrator

Signature Date

Date Served:

AUG 11 2000