

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

The Estate of Tito Augustine Rainieri

Case No. 99-00248

Name of Respondents

Salomon Smith Barney Inc.
Peter J. Katevatis

REPRESENTATION OF PARTIES

Claimant, The Estate of Tito Augustine Rainieri ("Claimant"), was represented by Eric J. Pritchard, Esq., of the law firm of Tannenbaum & Chanin, LLP, Philadelphia, PA.

Respondents Salomon Smith Barney Inc. ("Salomon") and Peter J. Katevatis, ("Katevatis"), referred to collectively as Respondents, were represented by Alejandro Schwed, Esq., Salomon Smith Barney, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on January 14, 1999.

Claimant signed his Uniform Submission Agreement on January 14, 1999.

Joint Statement of Answer filed by Respondents on March 23, 1999.

Respondents signed their uniform Submission Agreement on March 23, 1999.

CASE SUMMARY

Claimant asserted the following causes of action: fraud and other wrongs including violations of the "know your investor" and "suitability" rules; breach of fiduciary duty; gross negligence constituting wanton and willful misconduct; breach of contract; violation of section 10(b) of SEC Act of 1934 and Rule 10 b-5; violation of section 17 of the SEC Act of 1933; failure to adequately supervise Claimant's activities under the circumstances.

Unless specifically admitted in their Statement of Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant's Statement of claim fails to state a claim upon which relief can be granted; customer authorized all of the transactions; customer's claims are barred by the doctrine of waiver, customer's claims are

barred by the doctrine of ratification; any loss in the customer's account is the result of the customer's own actions and decisions and is not the result of any act or decision on the part of the Respondents, and therefore the customer cannot recover any damages against Respondents; the proximate cause of any loss in the customer's account is the customer's own actions and decisions, and therefore the customer cannot recover any damages against Respondents; upon opening the account and during the course of conduct of maintaining their account, the customer made various representations about their investment objectives, income and assets. Respondents had a right to rely and did rely on these representations. Consequently, the customer cannot recover any damages against Respondents; customer failed to mitigate his damages.

RELIEF REQUESTED

Claimant requested:

Compensatory damages in an amount in excess of \$500,000 and punitive damages, treble damages, attorneys' fees and costs from the respondents.

Respondents requested:

Panel enter an award of costs against the Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

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. That Claimant's claims are denied in their entirety; and
2. That each party is to bear their own costs and expenses, including attorney's fees, with the exception of forum fees as specified below; and
3. That any and all relief, including punitive damages and treble damages, not specifically addressed herein 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 that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$2000
Pre-hearing process fee	= \$600
Hearing process fee	= \$3,500

Forum Fees and Assessments

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

1 Pre-hearing session with panel x \$	= \$1000
Pre-hearing conference: September 11, 1999 1 session	

8 Hearing sessions x \$1000	= <u>\$8,000</u>
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Hearing Dates:	December 21, 1999 2 sessions
	December 22, 1999 2 sessions
	December 23, 1999 2 sessions
	May 17, 1999 2 sessions

Total Forum Fees	= \$9,000
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The Panel has assessed the following forum fees:

1. The Panel has assessed \$4,500 of the forum fees to Claimant.
2. The Panel has assessed \$4,500 of the forum fees to Respondent Salomon.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 250
Forum Fees	= \$ 4,500
<u>Administrative Costs</u>	= \$ 150
Total Fees	= \$ 4,900

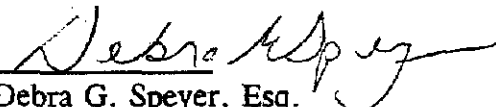
<u>Less payments</u>	= \$ 1,400
Balance Due NASD Regulation, Inc.	= \$ 3,500

Respondent, Salomon, be and hereby is solely liable for:

Member Fees	= \$ 6,100
<u>Forum Fees</u>	= \$ 4,500
Total Fees	= \$10,600
<u>Less payments</u>	= \$ 7,100
Balance Due NASD Regulation, Inc.	= \$3,500

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

Concurring Arbitrators' Signatures


Debra G. Speyer, Esq.
Public Arbitrator, Presiding Chair

6-3-00
Date Award Signed

Arthur Kalbhenn
Non-public Arbitrator

Date Award Signed

Zarin P. Bengali, Esq.
Public Arbitrator

Date Award Signed

June 22, 2000
Date of Service by NASD Regulation, Inc.

Concurring Arbitrators' Signatures

Debra G. Speyer, Esq.
Public Arbitrator, Presiding Chair

Date Award Signed


Arthur Kalbhenn
Non-public Arbitrator

6-3-00
Date Award Signed

Zarin P. Bengali, Esq.
Public Arbitrator

Date Award Signed

June 16, 2000
Date of Service by NASD Regulation, Inc.


Concurring Arbitrators' Signatures

Debra G. Speyer, Esq.
Public Arbitrator, Presiding Chair

Date Award Signed

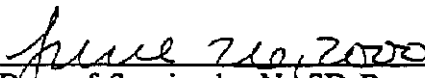
Arthur Kalbhenn
Non-public Arbitrator

Date Award Signed



Zarin P. Bengali, Esq.
Public Arbitrator

06-20-2000
Date Award Signed



Date of Service by NASD Regulation, Inc.