

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Keith Egly, Claimant v. William M. Davis, Michael L. Kramer, and Salomon Smith Barney,
Respondents

Case Number: 99-02721

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant:

Catherine Bland, Esq.
Law Offices of
Paul W. Thomas & Associates
Calrsbad, California

For Respondents:

Joanne Chormanski, Esq.
Salomon Smith Barney Inc.
New York, New York

CASE INFORMATION

Statement of Claim received: June 15, 2000

Claimant's Uniform Submission Agreement signed: June 4, 1999

Joint Statement of Answer filed by Respondents William M. Davis, Michael L. Kramer, and
Salomon Smith Barney: October 19, 1999

Respondent Salomon Smith Barney's Uniform Submission Agreement signed: October 18, 1999

CASE SUMMARY

Claimant alleged that Respondents failed to correctly execute his order and follow correct option protocols in connection with the purchase of options for Cisco Systems, Inc. Claimant also alleged that Respondents Michael L. Kramer, and Salomon Smith Barney failed to supervise Respondent William M. Davis.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested \$34,954.87 in compensatory damages.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents William M. Davis and Michael L. Kramer did not file with the NASD Regulation, Inc. Office of Dispute Resolution a properly executed submission to arbitration but are required to submit to arbitration pursuant to 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.

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, 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) The Panel unanimously concurs that Claimant's Claims against Respondent Michael L. Kramer are dismissed.
- 2) The Panel unanimously recommends the expungement of all reference to the above captioned arbitration from Respondent Michael L. Kramer registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Michael L. Kramer must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 3) Arbitrators Richard Gordon, Esq. and Larry Haugaard concur that Claimant's claims be dismissed in their entirety. Arbitrator Max M. Ludvigson dissents, and would award the sum of \$11,625.00 in compensatory damages.
- 4) The Panel unanimously concurs that each party shall bear its own costs, including attorney's fees.
- 5) The Panel unanimously concurs that all other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$175.00
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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 event of the dispute. Accordingly, the member firm is a party and the following fees are assessed:

Member Surcharge	= \$ 800.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$1,000.00</u>
Total Member Fees	= \$2,400.00

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/Panel. The following fees are assessed:

(2) Pre-hearing conference sessions with the Panel @ \$600.00/session	= \$1,200.00
Pre-hearing conferences: March 10, 2000 1 session	
May 30, 2000 1 session	
(2) Hearing sessions @ \$600.00/session	= \$1,200.00
Hearings: June 14, 2000 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$2,400.00

1. The Panel assessed \$1,200.00 of the forum fees to Claimant Keith Egly.
2. The Panel assessed \$1,200.00 of the forum fees to Respondent Salomon Smith Barney.

Fee Summary

1. Claimant Keith Egly is charged with the following fees and costs:

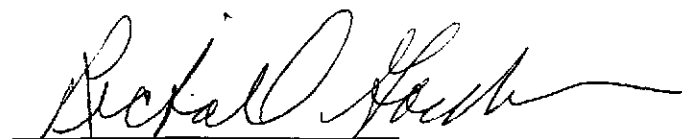
Initial Filing Fee	= \$ 175.00
<u>Forum Fees</u>	<u>= \$1,200.00</u>
Total Fees	= \$1,375.00
<u>Less payments</u>	<u>= \$ (775.00)</u>
Balance Due NASD Regulation, Inc.	= \$ 600.00

2. Respondent Salomon Smith Barney is charged with the following fees and costs:

Member Fees	= \$ 2,400.00
<u>Forum Fees</u>	<u>= \$ 1,200.00</u>
Total Fees	= \$ 3,600.00
<u>Less payments</u>	<u>= \$(2,400.00)</u>
Balance Due NASD Regulation, Inc.	= \$ 1,200.00

All balances are payable to NASD Regulation, Inc. and are due within 30 days of the Award's date of service.

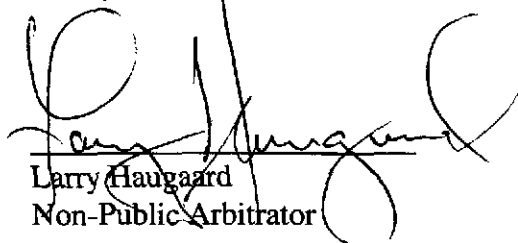
Concurring Arbitrators' Signatures



Richard Gordon, Esq.
Chair, Public Arbitrator

6-14-00

Signature Date

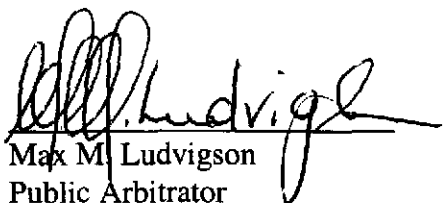


Larry Haugaard
Non-Public Arbitrator

6-14-00

Signature Date

Concurring in Part and Dissenting in Part Arbitrator's Signature



Max M. Ludvigson
Public Arbitrator

6/14/00

Signature Date

Date of Service