

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Guardianship and Estate of Delores Bakun, (Claimant) vs. Salomon Smith Barney, Inc. and James D. Fox, (Respondents)

Case Number: 99-04581

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Guardianship and Estate of Delores Bakun, hereinafter referred to as "Claimant": David M. Mandell, Esq., Blank Rome Comisky & McCauley LLP, Philadelphia, PA.

Respondents, Salomon Smith Barney, Inc. ("Salomon") and James D. Fox ("Fox"), hereinafter collectively referred to as "Respondents": John P. Bevilacqua, Esq., Senior Vice President and Associate General Counsel, Salomon Smith Barney, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: October 8, 1999.

Claimant signed the Uniform Submission Agreement: October 7, 1999.

Statement of Answer filed by Respondents on or about: January 7, 2000.

Salomon signed the Uniform Submission Agreement.

Fox signed the Uniform Submission Agreement: January 30, 2000.

CASE SUMMARY

Claimant asserted the following causes of action: violation of NASD rules of suitability and fair dealing with customers; violation of sections 10(b) and 10b-5 of the Federal Securities Exchange Act of 1934; breach of fiduciary duty; negligence; fraud; misrepresentation; and breach of contract. Claimant's claim involved the sale of unspecified stocks and the subsequent purchase of unspecified annuities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Respondents are not in violation of any rules, regulations, or applicable laws; Claimant has failed to state a claim upon which relief can be granted; Claimant is barred from recovery of any alleged damages by Claimant's own failure to mitigate damages; Claimant's claims are barred from recovery of

any alleged damages by the doctrines of ratification, waiver, estoppel, and laches; any losses allegedly incurred by Claimant are the result of Claimant's own acts or omissions; there is no private right of action for violations of NASD rules; and Claimant is not entitled to recover punitive damages or attorneys' fees.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$600,000.00
Punitive Damages	unspecified
Interest	unspecified
Attorneys' Fees	unspecified
Forum Fees	unspecified
Witness and Production Fees	unspecified

Respondents requested that the Statement of Claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

During the hearings in this matter, Respondents made a motion to have this arbitration expunged from the CRD record of Respondent Fox. The Panel's decision is reflected in the Award section below.

During the hearings in this matter, Respondents requested that the parties and witnesses be ordered to keep confidential information regarding the compensation of Respondents' witness Raimundi. The panel granted this request.

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. Claimant's claims are hereby dismissed in their entirety.
2. Upon confirmation of this Award by a court of competent jurisdiction, NASD Regulation, Inc. shall expunge all references to this arbitration from the permanent CRD records of Respondent Fox.

3. All information on record regarding salary and other compensation of Respondents' witness Raimundi is to be kept confidential and not disclosed.
4. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 375.00
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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, Salomon Smith Barney, Inc. is a party.

Member surcharge	= \$ 2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 3,500.00

Adjournment Fees

Adjournments requested during these proceedings:

August 2, 3 & 4, 2000, adjournment by Claimant	= \$ 1,200.00
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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:

One (1) Pre-hearing session with Panel x \$1,200.00	= \$ 1,200.00
Pre-hearing conference: May 31, 2000	1 session

Ten (10) Hearing sessions x \$1,200.00	= \$12,000.00
Hearing Dates: October 30, 2000	2 sessions
October 31, 2000	2 sessions
November 1, 2000	2 sessions

	December 14, 2000	2 sessions	
	December 15, 2000	2 sessions	
Total Forum Fees			= \$13,200.00

1. The Panel has assessed \$6,600.00 of the forum fees against Claimant.
2. The Panel has assessed \$6,600.00 of the forum fees jointly and severally against Respondents.

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.

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1. Respondents, requested tapes, \$135.00.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 375.00
Adjournment Fee	= \$ 1,200.00
Forum Fees	= \$ 6,600.00
Total Fees	= \$ 8,175.00
<u>Less payments</u>	= \$ 3,435.65
Balance Due NASD Dispute Resolution, Inc.	= \$ 4,739.35

2. Salomon be and hereby is solely liable for:

Member Fees	= \$ 6,100.00
Total Fees	= \$ 6,100.00
<u>Less payments</u>	= \$ 6,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

3. Respondents be and hereby are jointly and severally liable for:

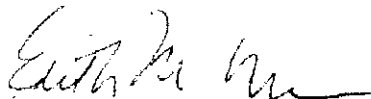
Forum Fees	= \$ 6,600.00
<u>Administrative Costs</u>	= \$ 135.00
Total Fees	= \$ 6,735.00
<u>Less payments</u>	= \$ 660.65
Balance Due NASD Dispute Resolution, Inc.	= \$ 6,074.35

All balances are due and payable to NASD Dispute Resolution, Inc.

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Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Edith M. Novack, Esq.
Public Arbitrator, Presiding Chair

1/19/01
Signature Date

Sandra Black-Stubbs
Public Arbitrator

Signature Date

Brian Kawakami, Esq.
Industry Arbitrator

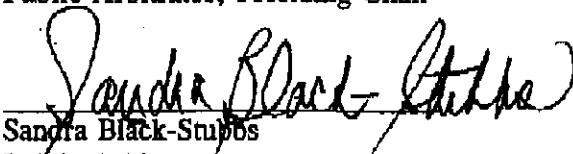
Signature Date

January 25, 2001
Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Edith M. Novack, Esq.
Public Arbitrator, Presiding Chair

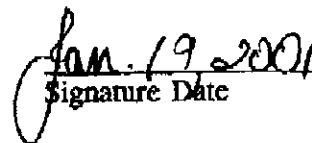


Sandra Black-Stubbs
Public Arbitrator

Brian Kawakami, Esq.
Industry Arbitrator

January 25, 2001
Date of Service (For NASD office use only)

Signature Date



Signature Date

Signature Date

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Arbitration No. 99-04581
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Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Edith M. Novack, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Sandra Black-Smalls
Public Arbitrator

Signature Date

Brian Kawakami
Brian Kawakami, Esq.
Industry Arbitrator

1-19-01
Signature Date

January 25, 2001

Date of Service (For NASD office use only)