

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Edna S. Dales, Claimant v. Salomon Smith Barney, Inc., Respondent

Case Number: 00-04858

Hearing Site: Charlotte, North Carolina

REPRESENTATION OF PARTIES

For Edna S. Dales, hereinafter referred to as "Claimant": John P. Freeman, Esq., Columbia, South Carolina.

For Salomon Smith Barney, Inc., hereinafter referred to as "Respondent": Christopher B. O'Malley, First Vice President and Associate General Counsel, Respondent, New York, New York. On or about March 18, 2002, David G. Russell, Esq., Parker, Hudson, Rainer & Dobbs LLP, Atlanta, Georgia, appeared as substitute counsel for Respondent.

CASE INFORMATION

Statement of Claim filed: November 1, 2000.

Claimant's Uniform Submission Agreement signed: October 31, 2000.

Statement of Answer filed by Respondent: January 8, 2001.

Respondent's Uniform Submission Agreement signed: January 8, 2001.

CASE SUMMARY

Claimant alleged negligence in the handling of the sale of a variable annuity, namely American Skandia, by the broker, Lisa Kean. Claimant sold a variable annuity believing that the tax consequences were far lower than the actual tax incurred. Claimant alleged that Ms. Kean negligently obtained the wrong information when she inquired about the basis of the investment, leading to the unanticipated tax consequence for her client, Claimant.

Respondent denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant initially requested: 1) compensatory damages in the amount of \$66,000.00; 2) interest;

3) costs; 4) attorneys' fees; and 5) such other relief the undersigned arbitrators (the "Panel") deemed just and proper. Claimant requested at the evidentiary hearing: 1) compensatory damages for the tax increase in the amount of \$44,746.00, plus the sum needed to pay taxes on an award; 2) interest; 3) costs; 4) attorneys' fees; and 5) such other relief the Panel deemed just and proper.

Respondent requested dismissal of the Claimant's Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The parties 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, and the post-hearing submissions (if any), the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant's claims are denied in their entirety.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 225.00
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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 events which gave rise to the dispute, claim, or controversy. Accordingly, the member firm, Respondent, is a party and the following fees are assessed:

Member Surcharge	= \$1,000.00
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Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$1,500.00</u>
Total Member Fees	= \$3,100.00

Adjournment Fees

The following adjournment fees are assessed:

There were no adjournments requested during these proceedings.

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:

(1) Pre-hearing conference session with the Panel @ \$750.00/session	= \$ 750.00
Pre-hearing conference: May 17, 2001 1 session	

(2) Hearing sessions @ \$750.00/session	= \$1,500.00
Hearings: March 21, 2002 2 sessions	

Total Forum Fees	= \$2,250.00
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The Panel assessed \$1,125.00 of the forum fees to Claimant.

The Panel assessed \$1,125.00 of the forum fees to Respondent.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	<u>= \$1,125.00</u>
Total Fees	= \$1,350.00
<u>Less payments</u>	<u>= \$ 975.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 375.00

Respondent is charged with the following fees and costs:

Member Fees	= \$3,100.00
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Forum Fees **= \$1,125.00**

Total Fees	= \$4,225.00
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Less payments **= \$3,100.00**

Balance Due NASD Dispute Resolution, Inc.	= \$1,125.00
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All balances are payable to NASD Dispute Resolution, Inc. and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Virginia S. Carson, Esq. - *Public Arbitrator, Presiding Chair*

William W. Marchant, Jr. - *Non-Public Arbitrator*

John A. Baynes, III - *Public Arbitrator*

Concurring Arbitrators' Signatures

/s/
Virginia S. Carson, Esq.
Chair, Public Arbitrator

Signature Date

/s/
William W. Marchant, Jr.
Non-Public Arbitrator

Signature Date

/s/

John A. Baynes, III
Public Arbitrator

Signature Date

April 23, 2002
Date of Service

Respondent is charged with the following fees and costs:

Member Fees	= \$3,100.00
Forum Fees	= \$1,125.00
Total Fees	= \$4,225.00
Less payments	= \$3,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,125.00

All balances are payable to NASD Dispute Resolution, Inc. and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Virginia S. Carson, Esq.

Public Arbitrator, Presiding Chair

William W. Marchant, Jr.

Non-Public Arbitrator

John A. Baynes, III

Public Arbitrator

Concurring Arbitrators' Signatures



Virginia S. Carson, Esq.
Chair, Public Arbitrator

4/17/02
Signature Date

William W. Marchant, Jr.
Non-Public Arbitrator

Signature Date

John A. Baynes, III
Public Arbitrator

Signature Date

Date of Service

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FL ARBITRATION

NASD Dispute Resolution, Inc.
Arbitration No. 00-04858
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Respondent is charged with the following fees and costs:

Member Fees	= \$3,100.00
Forum Fees	= \$1,125.00
Total Fees	= \$4,225.00
Less payments	= \$3,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,125.00

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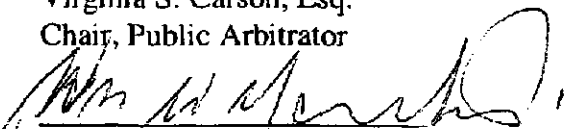
ARBITRATION PANEL

Virginia S. Carson, Esq.	-	Public Arbitrator, Presiding Chair
William W. Marchant, Jr.	-	Non-Public Arbitrator
John A. Baynes, III	-	Public Arbitrator

Concurring Arbitrators' Signatures

Virginia S. Carson, Esq.
Chair, Public Arbitrator

Signature Date


William W. Marchant, Jr.
Non-Public Arbitrator

4-18-02
Signature Date

John A. Baynes, III
Public Arbitrator

Signature Date

Date of Service

NASD Dispute Resolution, Inc.
 Arbitration No. 00-04838
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Respondent is charged with the following fees and costs:

Member Fees	= \$3,100.00
Forum Fees	= \$1,125.00
Total Fees	= \$4,225.00
Less payments	= \$3,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,125.00

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ARBITRATION PANEL

Virginia S. Carson, Esq.	-	Public Arbitrator, Presiding Chair
William W. Marchant, Jr.	-	Non-Public Arbitrator
John A. Baynes, III	-	Public Arbitrator

Concurring Arbitrators' Signatures

 Virginia S. Carson, Esq.
 Chair, Public Arbitrator

 Signature Date

 William W. Marchant, Jr.
 Non-Public Arbitrator

 Signature Date


 John A. Baynes, III
 Public Arbitrator

4/15/02
 Signature Date

 Date of Service