

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Sharon C. Norton and Dominion Properties, Inc., Claimants vs. Salomon Smith Barney, Inc. and Robert C. Bock, Respondents

Case Number: 01-02947

Hearing Site: Raleigh, North Carolina

REPRESENTATION OF PARTIES

For Sharon C. Norton ("Norton") and Dominion Properties, Inc. ("Dominion"), hereinafter collectively referred to as "Claimants": Andrew O. Whiteman, Esq., Hartzell & Whiteman, LLP, Raleigh, North Carolina.

For Salomon Smith Barney, Inc. ("SSB") and Robert C. Bock ("Bock"), hereinafter collectively referred to as "Respondents": Etta M. Gumbs, Senior Vice President, Respondent SSB, New York, New York.

CASE INFORMATION

Statement of Claim filed: May 31, 2001.

Claimants' Uniform Submission Agreement signed: May 30, 2001.

Statement of Answer filed by Respondents: August 8, 2001.

Respondent SSB's Uniform Submission Agreement signed: December 18, 2001.

Respondent Bock did not file an executed Uniform Submission Agreement.

CASE SUMMARY

Claimants alleged: 1) breach of contract; 2) negligence; 3) failure to supervise; 4) breach of fiduciary duty; 5) misrepresentations and non-disclosures; 6) omission of facts; 7) unsuitability; and 8) unauthorized trading. The causes of action relate to investments in common stock and options, namely Concentric Network Corporation, AT&T Corp., Conoco, Fox Entertainment Group, Inc., Microsoft Corp., New York Times, Westell Technologies, Inc., Covad Communications Corp., Nextlink Communications, Inc., and MRV Communications, Inc.

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

RELIEF REQUESTED

Claimant Norton requested: 1) compensatory damages in the amount of \$118,611.20; 2) punitive damages; 3) interest in the amount of \$21,863.46; 4) costs in the amount of \$862.50; 5) attorneys' fees in the amount of \$47,112.39; and 6) such other relief the undersigned arbitrators (the "Panel") deemed just and proper.

Claimant Dominion requested: 1) compensatory damages in the amount of \$94,365.66; 2) punitive damages; 3) interest in the amount of \$16,815.19; 4) costs in the amount of \$862.50; 5) attorneys' fees in the amount of \$37,347.78; and 6) such other relief the Panel deemed just and proper.

Respondents requested: 1) dismissal of the Claimants' Statement of Claim in its entirety; and 2) expungement of all reference to the above-captioned arbitration proceeding from the NASD Central Registration Depository record of Respondent Bock.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Bock did not file with the NASD Dispute Resolution, Inc. a properly executed submission agreement 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 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) Respondents SSB and Bock are jointly and severally liable for unsuitable trading and shall pay to Claimant Norton compensatory damages in the amount of \$33,500.00, plus pre-judgment interest in the amount of \$5,360.00. Post-judgment interest shall accrue in accordance with Rule 10330(h) of the Code.
- 2) Respondents SSB and Bock are jointly and severally liable for unsuitable trading and shall pay to Claimant Dominion compensatory damages in the amount of \$31,000.00, plus pre-judgment interest in the amount of \$4,960.00. Post-judgment interest shall accrue in accordance with Rule 10330(h) of the Code.

- 3) Respondents SSB and Bock are jointly and severally liable and shall pay to Claimants attorneys' fees in the amount of \$15,000.00.
- 4) Respondents SSB and Bock are jointly and severally liable and shall pay to Claimants \$150.00 representing reimbursement of one-half of the claim filing fee previously paid by Claimants to NASD Dispute Resolution.
- 5) Claimants' requests for punitive damages are denied.
- 6) 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	= \$ 300.00
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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 SSB, is a party and the following fees are assessed:

Member Surcharge	= \$1,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$2,500.00</u>
Total Member Fees	= \$4,600.00

Adjournment Fees

The following adjournment fees are assessed:

There were no adjournment fees assessed 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 @ \$1,125.00/session = \$1,125.00
Pre-hearing conference: January 30, 2002 1 session

(4) Hearing sessions @ \$1,125.00/session = \$4,500.00
Hearings: May 22, 2002 2 sessions
May 23, 2002 2 sessions

Total Forum Fees = \$5,625.00

The Panel assessed \$2,812.50 of the forum fees jointly and severally to Claimants.
The Panel assessed \$2,812.50 of the forum fees jointly and severally to Respondents.

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 other requests.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$2,812.50
Total Fees	= \$3,112.50
<u>Less payments</u>	= \$1,425.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,687.50

Respondent SSB is charged with the following fees and costs:

<u>Member Fees</u>	= \$4,600.00
Total Fees	= \$4,600.00
<u>Less payments</u>	= \$4,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondents are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	= \$2,812.50
Total Fees	= \$2,812.50
<u>Less payments</u>	= \$ 600.00
Balance Due NASD Dispute Resolution, Inc.	= \$2,212.50

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

<i>John Baynes, III</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Kenneth J. Daras</i>	-	<i>Public Arbitrator</i>
<i>Thomas C. Looney</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/

John Baynes, III
Chair, Public Arbitrator

Signature Date

/s/
Kenneth J. Daras
Public Arbitrator

Signature Date

/s/

 Thomas C. Looney
 Industry/Non-Public Arbitrator

Signature Date


June 20, 2002
Date of Service

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<i>Kenneth J. Daras</i>	-	<i>Public Arbitrator</i>
<i>Thomas C. Looney</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures


John Baynes, III
Chair, Public Arbitrator

6/11/02
Signature Date

Kenneth J. Daras
Public Arbitrator

Signature Date

Thomas C. Looney
Industry/Non-Public Arbitrator

Signature Date

Date of Service

NASD Dispute Resolution, Inc.
Arbitration No. 01-02947
Award Page 5 of 5

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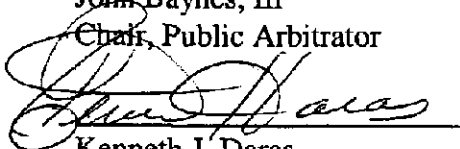
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<i>Kenneth J. Daras</i>	-	<i>Public Arbitrator</i>
<i>Thomas C. Looney</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

John Baynes, III
Chair, Public Arbitrator

Signature Date



Kenneth J. Daras
Public Arbitrator

6-16-02

Signature Date

Thomas C. Looney
Industry/Non-Public Arbitrator

Signature Date

Date of Service

NASD Dispute Resolution, Inc.
Arbitration No. 01-02947
Award Page 5 of 5

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<i>Kenneth J. Daras</i>	-	<i>Public Arbitrator</i>
<i>Thomas C. Looney</i>	-	<i>Non-Public Arbitrator</i>

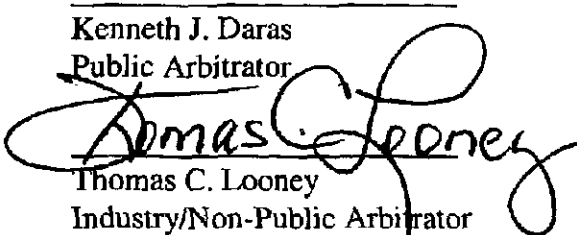
Concurring Arbitrators' Signatures

John Baynes, III
Chair, Public Arbitrator

Signature Date

Kenneth J. Daras
Public Arbitrator

Signature Date


Thomas C. Looney
Industry/Non-Public Arbitrator

June 11, 2002
Signature Date

Date of Service