

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
The William Shelley Trust

Case Number: 01-03066

Name of the Respondent
Salomon Smith Barney, Inc.

Hearing Site: Boca Raton, Florida

REPRESENTATION OF PARTIES

Claimant The William Shelley Trust ("Shelley") appeared pro se.

For Salomon Smith Barney, Inc. ("SSB"), hereinafter referred to as "Respondent": Anne Parry, Senior Vice President, Associate General Counsel, Salomon Smith Barney, Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: June 11, 2001.

Claimant signed the Uniform Submission Agreement: June 25, 2001.

Statement of Answer filed by Respondent on or about: August 7, 2001.

Respondent signed the Uniform Submission Agreement: September 7, 2001.

Claimant's Arbitration Brief filed on or about: June 29, 2002.

Respondent's Motion to Strike Arbitration Brief filed on or about: July 10, 2002.

Claimant's Response to Motion to Strike Arbitration Brief on or about: July 16, 2002.

Claimant's Motion to Amend Statement of Claim filed on or about: July 11, 2002.

Respondent's Response to Motion to Amend Statement of Claim filed on or about: July 26, 2002.

Claimant's Request for Clarification of Order Denying Motion to Amend Statement of Claim was filed on or about: August 1, 2002.

Respondent did not file any response to Claimant's Request for Clarification.

CASE SUMMARY

Claimant asserted the following causes of action: 1) breach of fiduciary duty; 2) misrepresentation; and 3) omission of facts. The causes of action relate to the purchase of shares of an IPO for Deutsche Telekom.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested compensatory damages of \$32,190.00, plus a fee cost of \$625.00, a

production cost of \$3,500.00, punitive damages, and requested that Respondent buy back the IPO shares sold to Claimant.

Respondent requested that all claims against it be dismissed and that all costs of this proceeding be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Claimant waived his right to a hearing at the April 4, 2002 Initial Prehearing Conference. All parties agreed that a hearing would not be held (unless subsequently requested by a party) and the matter would be decided solely upon the pleadings and any subsequent submissions.

By Order dated July 26, 2002, Respondent's Motion to Strike Claimant's Arbitration Brief was granted with regard to new information contained in Claimant's Arbitration Brief that constituted an amendment to the Statement of Claim.

Claimant's Motion to amend his claims was denied by Order dated August 8, 2002. By Order dated September 27, 2002, the undersigned arbitrator (the "Arbitrator") responded to Claimant's Request for Clarification of her August 8, 2002 Order by affirming that the proposed amendment constituted a new claim and would not be considered in this arbitration proceeding.

AWARD

After considering the pleadings, the testimony and evidence presented, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are denied in their entirety. Claimant has failed to prove breach of fiduciary duty, that Respondent misrepresented or failed to disclose facts that Respondent knew or should have known, or any inappropriateness of the solicitation.
2. Any and all claims for relief not specifically addressed herein, including Claimant's request for punitive damages, are denied.

FEEES

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

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:
Initial claim filing fee = \$ 175.00

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 persons at the time of the events giving rise to the dispute. Accordingly, Salomon Smith Barney, Inc. is a party.

Member surcharge	= \$ 800.00
Pre-hearing process fee	= \$ 600.00

Adjournment Fees

No adjournments were granted during these proceedings for which fees were assessed.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were incurred during this proceeding.

Forum Fees and Assessments

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

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
<u>Pre-hearing conference: April 10, 2002</u> 1 session	
Total Forum Fees	= \$ 450.00

1. The Arbitrator has assessed \$225.00 of the forum fees to Claimant.
2. The Arbitrator has assessed \$225.00 of the forum fees to Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative fees were incurred during this proceeding.

Fee Summary

1. Claimant is solely liable for:	
Initial Filing Fee	= \$ 175.00
<u>Forum Fees</u>	= \$ 225.00
Total Fees	= \$ 400.00
<u>Less payments</u>	= \$ 400.00

Balance Due NASD	= \$ 0.00
2. Respondent is solely liable for:	
Member Fees	= \$1,400.00
<u>Forum Fees</u>	<u>= \$ 225.00</u>
Total Fees	= \$1,625.00
<u>Less payments</u>	<u>= \$1,600.00</u>
Balance Due NASD	= \$ 25.00

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

ARBITRATOR

Lisa F. Mendelsohn, Esq.

Public Arbitrator, Presiding Chairperson

Arbitrator's Signature

/s/
Lisa F. Mendelsohn, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

December 6, 2002

Date of Service (For NASD Dispute Resolution office use only)

Balance Due NASD	= \$ 0.00
2. Respondent is solely liable for:	
Member Fees	= \$1,400.00
<u>Forum Fees</u>	= \$ 225.00
Total Fees	= \$1,625.00
<u>Less payments</u>	= \$1,600.00
Balance Due NASD	= \$ 25.00

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

ARBITRATOR

Lisa F. Mendelsohn, Esq.

Public Arbitrator, Presiding Chairperson

Arbitrator's Signature

Lisa F. Mendelsohn

Lisa F. Mendelsohn, Esq.
Public Arbitrator, Presiding Chairperson

12/03/02
Signature Date

Date of Service (For NASD Dispute Resolution office use only)