

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Shirley J. Sainsbury, Claimant v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc.  
and Sharon D. Black, Respondents

Case Number: 02-06021

Hearing Site: Seattle, Washington

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Nature of the Dispute: Customer v. Member Firm and Associated Person

**REPRESENTATION OF PARTIES**

For Claimant:

Ralph R. Smith, Esq.  
Attorney at Law  
Tumwater, Washington

For Respondents:

Joseph B. Genster, Esq.  
Hillis, Clark, Martin & Peterson, P.S.  
Seattle, Washington

**CASE INFORMATION**

Statement of Claim received: October 4, 2002

Claimant's Uniform Submission Agreement signed: October 1, 2002

Joint Statement of Answer filed by Respondents Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney Inc. and Sharon D. Black: December 19, 2002

Respondent Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney Inc.'s Uniform Submission Agreement signed: January 31, 2003

Respondent Sharon D. Black's Uniform Submission Agreement signed: February 5, 2003

**CASE SUMMARY**

Claimant's Statement of Claim alleged breach of fiduciary duty, misrepresentations, unauthorized trading, and unsuitability. The allegation involved the purchase and sale of securities including but not limited to American Online, Amgen, Inc., Cisco Systems, Inc., Applied Microcircuits, Hewlett Packard, Idec Pharmaceuticals, Intel Corp, MCI, Qualcomm Inc., Applied Materials, Corning, General Electric, JDS Uniphase, Nokia, PMC Sierra, Genentech, and Worldcom.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and asserted several affirmative defenses.

**RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$156,000.00, interest at the rate of 8%, and costs, including attorney's fees.

Respondents 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, 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 Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Sharon D. Black's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Sharon D. Black must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 3) The parties shall bear their respective costs, including attorney's fees.
- 4) All other relief requested and not expressly granted is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution 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 that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 2,750.00
<b>Total Member Fees</b>	<b>= \$ 5,200.00</b>

#### **Adjournment Fees**

The following adjournment fees are assessed:

August 13-14, 2003, adjournment jointly requested by the parties	= \$ 1,125.00
November 18-19, 2003, adjournment jointly requested by the parties	= \$ 1,500.00

- 1) The Panel waived the \$1,125.00 postponement fee.
- 2) The Panel assessed the \$1,500.00 postponement fee 50% to Claimant and 50% jointly and severally to Respondents

#### **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 or the parties and the Panel. The following fees are assessed:

One (1) Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$ 1,125.00
Pre-hearing conference: April 2, 2003 1 session	
Three (3) Hearing sessions @ \$1,125.00/session	= \$ 3,375.00
Hearings: February 3, 2004 2 sessions	
February 4, 2004 1 session	

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<b>Total Forum Fees</b>	<b>= \$ 4,500.00</b>
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1. The Panel assessed \$ 2,250.00 of the forum fees to Claimant Shirley J. Sainsbury.
2. The Panel assessed \$ 2,250.00 of the forum fees jointly and severally to Respondents Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney Inc. and Sharon D. Black.

**Fee Summary**

1. Claimant, Shirley J. Sainsbury, is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 750.00
<u>Forum Fees</u>	<u>= \$ 2,250.00</u>
Total Fees	= \$ 3,300.00
<u>Less payments</u>	<u>= \$ (1,425.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 1,875.00</b>

2. Respondent, Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney Inc., is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
<u>Less payments</u>	<u>= \$ (2,450.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 2,750.00</b>

3. Respondents, Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney Inc. and Sharon D. Black, are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 2,250.00
<u>Adjournment Fees</u>	<u>= \$ 750.00</u>
Total Fees	= \$ 3,000.00
<u>Less payments</u>	<u>= \$ (0.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 3,000.00</b>

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

**ARBITRATION PANEL**

***Thomas Y. Higashi, Esq.***

***Linda I. Thomas***

***Bonny Kathleen Riggs***

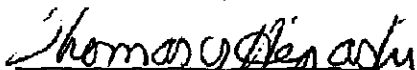
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***Public Arbitrator, Presiding Chair***

***Public Arbitrator***

***Non-Public Arbitrator***

**Concurring Arbitrators' Signatures**

  
THOMAS Y. HIGASHI, ESQ.  
Chair, Public Arbitrator

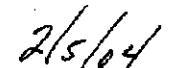
  
Signature Date

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LINDA I. THOMAS  
Public Arbitrator

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Signature Date

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BONNY KATHLEEN RIGGS  
Non-Public Arbitrator

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Signature Date

  
Date of Service

NASD Dispute Resolution  
Arbitration No. 02-06021  
Award Page 5 of 5

**ARBITRATION PANEL**

<b>Thomas Y. Higashi, Esq.</b>	-	<b>Public Arbitrator, Presiding Chair</b>
<b>Linda L. Thomas</b>	-	<b>Public Arbitrator</b>
<b>Bonny Kathleen Riggs</b>	-	<b>Non-Public Arbitrator</b>

**Concurring Arbitrators' Signatures**

**THOMAS Y. HIGASHI, ESQ.**  
Chair, Public Arbitrator

\_\_\_\_\_  
Signature Date

  
**LINDA L. THOMAS**  
Public Arbitrator

2/4/04  
Signature Date

**BONNY KATHLEEN RIGGS**  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

2/5/04  
Date of Service

**ARBITRATION PANEL**

<b>Thomas Y. Higashi, Esq.</b>	-	<b>Public Arbitrator, Presiding Chair</b>
<b>Linda L. Thomas</b>	-	<b>Public Arbitrator</b>
<b>Bonny Kathleen Riggs</b>	-	<b>Non-Public Arbitrator</b>

**Concurring Arbitrators' Signatures**

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Chair, Public Arbitrator

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Signature Date

**LINDA I. THOMAS**  
Public Arbitrator

\_\_\_\_\_  
Signature Date

  
**BONNY KATHLEEN RIGGS**  
Non-Public Arbitrator

2/04/04  
Signature Date

2/5/04  
Date of Service