

**AWARD  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between

Name of Claimant

Mary A. Zassadney

and

Case Number: 02-07137  
Hearing Site: Detroit, Michigan

Named of Respondents

Citigroup Global Markets, Inc.  
f/k/a Salomon Smith Barney, Inc., and  
Dewey D. Steffen

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**REPRESENTATION OF PARTIES**

Mary A. Zassadney ("Claimant") was represented by Michael P. Marsalese, Esq., Marsalese Law Group, PLLC, Southfield, Michigan.

Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Dewey D. Steffen ("Steffen"), hereinafter referred to as "Respondents" were represented by Thomas R. Cox, Esq., Miller Canfield Paddock and Stone, PLC, Detroit, Michigan

**CASE INFORMATION**

The Statement of Claim was filed on or about November 25, 2002. The Submission Agreement of Claimant Mary A. Zassadney was signed on or about December 19, 2002.

Statement of Answer and Motion to Dismiss was filed jointly by Respondents on or about February 18, 2003.

Claimant's Objection to Respondents' Motion to Dismiss and Brief in Support of Claimant's Objection to Respondents' Motion to Dismiss were filed on or about April 2, 2003. Respondents' Reply Brief in Support of Respondents' Motion to Dismiss was filed on or about May 1, 2003.

**CASE SUMMARY**

Claimant asserted the following causes of action: violation of NASD Rules of Fair Practice, breach of fiduciary duty, negligent misrepresentation, negligent supervision, securities fraud under MCLA 451.501, and violation of section 451.810 of the Michigan Uniform Securities Act. The causes of action relate to Claimant's investment in Tiers Principal Protected Asset Backed Ctf's Tr Sr Amex Telecom Index 2000-13. Claimant asserted that Respondent Steffens induced her to invest \$50,000 of her IRA account into an offshore account and the remaining money would be invested in several different funds. Claimant alleged that the investments were not suitable for her IRA account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim and all claims therein fail to state a claim upon which relief can be granted, the Statement of Claim and all claims therein are barred by reason of the applicable statute of limitation or other periods of limitations, the Statement of Claim and all claims therein are barred by reason of Claimant's negligence, comparative negligence, and contributory negligence. Respondents alleged that Claimant is looking for a windfall because of a technical bookkeeping error and that when Claimant's account was transferred to Smith Barney the account listed 50,000 shares of the Tiers investment instead of \$50,000 of the Tiers investment.

### **RELIEF REQUESTED**

Claimant requested an award in the amount of \$3,825,000.00, plus interest, costs, attorney fees, exemplary and punitive damages of approximately \$1,000,000.00.

Respondents requested that the claims asserted against them be dismissed with prejudice and that they be awarded their costs, attorneys' fees, and other relief as appropriate.

### **OTHER ISSUES CONSIDERED & DECIDED**

Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., and Dewey D. Steffen did not file with the NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, appeared and testified at the telephonic pre-hearing conference are bound by the determination of the arbitration panel on all issues submitted.

The Panel heard oral arguments via telephone on Respondents' Motion to Dismiss on September 3, 2003.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

### **AWARD**

After considering the pleadings, the testimony, and the evidence presented at the telephonic pre-hearing conference, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Claimant's claims, each and all, are denied and dismissed with prejudice;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

### **FEES**

Pursuant to 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 = \$ 600.00

#### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.

Member surcharge = \$ 2,800.00  
Pre-hearing process fee = \$ 750.00  
Hearing process fee = \$ 5,000.00

#### **Forum Fees and Assessments**

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

Three (3) Pre-hearing sessions with Panel x \$1,200.00 = \$ 3,600.00  
Pre-hearing conferences: July 11, 2003 1 session  
August 28, 2003 1 session  
September 3, 2003 1 session

Total Forum Fees = \$ 3,600.00

The Arbitration Panel has assessed \$3,600.00 of the forum fees to Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.

### **Fee Summary**

Claimant, Mary A. Zassadney, is liable for:

Initial Filing Fee	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$ 1,800.00
Balance refunded by NASD Dispute Resolution	= \$ 1,200.00

Respondent, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., is liable for:

Member Fees	= \$ 8,550.00
Forum Fees	= \$ 3,600.00
Total Fees	= \$ 12,150.00
Less payments	= \$ 4,300.00
Balance Due NASD Dispute Resolution	= \$ 5,050.00

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

**ARBITRATION PANEL**

Edward M. Olson, Esq. – Public Arbitrator, Presiding Chair  
Verne C. Hampton, II, Esq. - Public Arbitrator  
Joseph H. Mizzi - Non-Public Arbitrator

**Concurring Arbitrators:**

/s/ Edward M. Olson, Esq.  
Edward M. Olson, Esq.  
Public Arbitrator, Presiding Chair

09/24/03  
Signature Date

/s/ Verne C. Hampton, II, Esq.  
Verne C. Hampton, II, Esq.  
Public Arbitrator

09/25/03  
Signature Date

/s/ Joseph H. Mizzi  
Joseph H. Mizzi  
Non-Public Arbitrator

09/24/03  
Signature Date

09/25/03  
Date of Service (For NASD office use only)

NASD Dispute Resolution  
 Arbitration No. 02-07197  
 Award Page 4 of 4

Respondent, Citigroup Global Markets, Inc. 1/k/a Salomon Smith Barney, Inc., is liable for:

Member Fees	= \$ 8,550.00
Forum Fees	= \$ 3,600.00
Total Fees	= \$ 12,150.00
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NASD Dispute Resolution  
Arbitration No. 02-07137  
Award Page 4 of 4

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Signature Date

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Public Arbitrator, Presiding Chair

9/24/03

Signature Date

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Public Arbitrator

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Joseph H. Mizzi  
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