

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

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In the Matter of the Arbitration Between:

William Peattie IRA and Ann Peattie IRA (Claimants) v. Salomon Smith Barney, Inc.  
n/k/a Citigroup Global Markets, Inc. and Brian Cleary (Respondents)

Case Number: 03-00112

Hearing Site: New York, New York

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Nature of the Dispute: Customers vs. Member and Associated Person.

**REPRESENTATION OF PARTIES**

Claimants William Peattie IRA ("W. Peattie") and Ann Peattie IRA ("A. Peattie") hereinafter collectively referred to as "Claimants": Kim Steven Juhase, Esq., Novak & Juhase, Roseland, NJ.

Respondents Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. ("SSB") and Brian Cleary ("Cleary") hereinafter collectively referred to as "Respondents": Richard C. Szuch, Esq., Dillon, Bitar & Luther, LLC, Morristown, NJ. Previously represented by: Victor A. Machcinski, Jr., Esq., Citigroup Global Markets, Inc., New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: January 3, 2003.

W. Peattie signed the Uniform Submission Agreement: December 30, 2002.

A. Peattie signed the Uniform Submission Agreement: December 30, 2002.

Joint Statement of Answer filed by Respondents on or about: March 14, 2003.

SSB signed the Uniform Submission Agreement: March 14, 2003.

Cleary signed the Uniform Submission Agreement: April 2, 2003.

**CASE SUMMARY**

Claimants asserted the following causes of action: breach of contract; fraud; negligence; statutory violations; suitability; failure to supervise; and respondeat superior. Claimants' claim involved unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimants requested compensatory damages in the amount of \$660,000.00; interest; attorneys' fees; and punitive damages.

Respondents requested that Claimants' Statement of Claim be dismissed in its entirety; and that Respondents be awarded their fees and expenses, including forum fees and all other costs of this proceeding. In addition, Respondents request a direction from the Arbitrators that the Central Registration Depository ("CRD") records of Respondent Cleary be expunged with respect to Claimants' claims.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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.

### **AWARD**

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

1. Respondents are jointly and severally liable for and shall pay to the Claimants compensatory damages in the amount of \$76,000.00, plus interest at the legal interest rate from December 30, 2002 through date of payment of the award.
2. Any and all relief not specifically addressed herein, including punitive damages, is denied.

### **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 = \$375.00

#### **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 person at the time of the events giving rise to the dispute. Accordingly, Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. is a party.

Member surcharge = \$2,250.00

|                         |              |
|-------------------------|--------------|
| Pre-hearing process fee | = \$ 750.00  |
| Hearing process fee     | = \$4,000.00 |

**Forum Fees and Assessments**

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

|   |              |
|---|--------------|
| One (1) Pre-hearing session with Panel @ \$1,200.00 | = \$1,200.00 |
| Pre-hearing conference: July 21, 2003 1 session     |              |

|  |              |
|--|--------------|
| Four (4) Hearing sessions @ \$1,200.00     | = \$4,800.00 |
| Hearing Dates: January 20, 2004 2 sessions |              |
| January 21, 2004 2 sessions                |              |

|                  |              |
|------------------|--------------|
| Total Forum Fees | = \$6,000.00 |
|------------------|--------------|

1. The Panel has assessed \$3,000.00 of the forum fees against Claimant.
2. The Panel has assessed \$1,500.00 of the forum fees against Respondent Cleary.
3. The Panel has assessed \$1,500.00 of the forum fees against Respondent SSB.

**Fee Summary**

|                                     |              |
|-------------------------------------|--------------|
| 1. Claimant is solely liable for:   |              |
| Initial Filing Fee                  | = \$ 375.00  |
| Forum Fees                          | = \$3,000.00 |
| Total Fees                          | = \$3,375.00 |
| Less payments                       | = \$1,575.00 |
| Balance Due NASD Dispute Resolution | = \$1,800.00 |

|                                     |              |
|-------------------------------------|--------------|
| 2. Cleary is solely liable for:     |              |
| Forum Fees                          | = \$1,500.00 |
| Total Fees                          | = \$1,500.00 |
| Less payments                       | = \$ 0.00    |
| Balance Due NASD Dispute Resolution | = \$1,500.00 |

|                                     |              |
|-------------------------------------|--------------|
| 3. SSB is solely liable for:        |              |
| Member Fees                         | = \$7,000.00 |
| Forum Fees                          | = \$1,500.00 |
| Total Fees                          | = \$8,500.00 |
| Less payments                       | = \$7,000.00 |
| Balance Due NASD Dispute Resolution | = \$1,500.00 |

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Arbitration No. 03-00112  
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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

|                                |                                    |
|--------------------------------|------------------------------------|
| Demetrio S. Timban, Jr., Esq.- | Public Arbitrator, Presiding Chair |
| Leona Beane, Esq. -            | Public Arbitrator                  |
| Abe I. Shtulsaft, CFP -        | Non-Public Arbitrator              |

**Concurring Arbitrators' Signatures**

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.



Demetrio S. Timban, Jr., Esq.  
Public Arbitrator, Presiding Chairperson

1/28/04  
Signature Date

\_\_\_\_\_  
Leona Beane, Esq.  
Public Arbitrator

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

\_\_\_\_\_  
Abe I. Shtulsaft, CFP  
Non-Public Arbitrator

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

January 30, 2004  
Date of Service (For NASD Dispute Resolution use only)

**ARBITRATION PANEL**

|                                |                                    |
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Demetrio S. Timban, Jr., Esq.  
Public Arbitrator, Presiding Chairperson

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

Leona Beane  
\_\_\_\_\_  
Leona Beane, Esq.  
Public Arbitrator

1/22/04  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Abe I. Shtulsaft, CFP  
Non-Public Arbitrator

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

\_\_\_\_\_  
January 30, 2004

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**Concurring Arbitrators' Signatures**

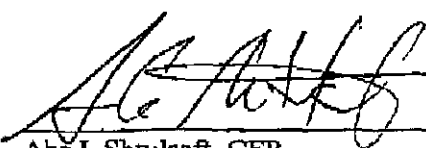
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Demetrio S. Timban, Jr., Esq.  
Public Arbitrator, Presiding Chairperson

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

\_\_\_\_\_  
Leona Beane, Esq.  
Public Arbitrator

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

  
\_\_\_\_\_  
Abe I. Shulsaft, CFP  
Non-Public Arbitrator

1/22/04  
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\_\_\_\_\_  
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