

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

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In the Matter of the Arbitration Between:

Name of the Claimant  
Quzi M. Ahmed

Case Number: 03-00611

Names of the Respondents  
Salomon Smith Barney, Inc.,  
n/k/a Citigroup Global Markets, Inc.  
Thomas Harold Clark  
Katie Clark

Hearing Site: Pittsburgh, Pennsylvania

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Nature of the Dispute: Customer vs. Member and Associated Persons.

**REPRESENTATION OF PARTIES**

Claimant, Quzi M. Ahmed, hereinafter referred to as "Claimant", was represented by Robert M. Kramer, Esq., Attorney at Law, Pittsburgh, Pennsylvania.

Respondents, Salomon Smith Barney, Inc., n/k/a Citigroup Global Markets, Inc. ("Citigroup"), Thomas Harold Clark ("T. Clark"), and Katie Clark ("K. Clark"), hereinafter collectively referred to as "Respondents", were represented by Gilbert W. Boyce, Esq., Kutak Rock, LLP, Washington, D.C.

**CASE INFORMATION**

Statement of Claim filed on January 21, 2003.

Claimant signed the Uniform Submission Agreement on January 16, 2003.

Statement of Answer filed by Respondents on July 1, 2003.

A representative of Citigroup executed the Uniform Submission Agreement on March 18, 2004. Respondents T. Clark and K. Clark did not file signed Uniform Submission Agreements.

**CASE SUMMARY**

Claimant, in his Statement of Claim, asserted the following causes of action, among others: breach of contract, negligence, failure to supervise, breach of fiduciary duty, misrepresentations, non-disclosures, omissions of fact, manipulations, and suitability. The causes of action relate to the purchase and sale of various mutual funds, common stocks and Government securities, including but not limited to Mainstay High Yield Corporate Bond Fund, Seligman High Income Fund A and Smith Barney High Income Fund - Class B.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief may be granted; failure to mitigate damages; Claimant approved, authorized, and/or ratified all alleged actions; there is no private right of action for a violation of NASD

Rules; Claimant's claims are barred by the doctrines of waiver and estoppel; Claimant failed to use due diligence in monitoring, trading, and managing his accounts; assumption of risk; and Claimant's claims are barred by the applicable statutes of limitations.

### **RELIEF REQUESTED**

Claimant in his Statement of Claim requested:

Compensatory Damages	\$ 571,999.00
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents in their Statement of Answer requested that Claimant's claims be dismissed in their entirety, that the Arbitration Panel (the "Panel") recommend that this matter be expunged from all CRD records of Respondents T. Clark and K. Clark, and any such other relief as the Panel finds just and proper.

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

Respondents T. Clark and K. Clark did not file with NASD Dispute Resolution, properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

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, 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 K. Clark and Citigroup are jointly and severally liable to and shall pay to Claimant compensatory damages in the amount of \$161,571.53, plus simple interest at the rate of 6% on that amount. Interest shall accrue from March 9, 2005 through the date the Award is paid in full;
2. All claims for attorneys' fees are denied in their entirety;
3. All claims against Respondent T. Clark are denied in their entirety;
4. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,
5. Any and all relief not specifically addressed herein is denied in its entirety.

### **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
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#### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, Respondent Citigroup is a party.

Member surcharge	= \$ 2,250.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$ 4,000.00</u>
Total Member Fees	= \$ 7,000.00

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

February 17 – 19, 2004, adjournment by Respondents	= \$ 1,200.00
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#### **Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted. A 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:

One (1) Pre-hearing session with Panel @ \$ 1,200.00	= \$ 1,200.00
Pre-hearing conference: July 7, 2003 1 session	

Twelve (12) Hearing sessions @ \$ 1,200.00	= \$ 14,400.00
Hearing Dates:	
August 3, 2004	2 sessions
August 4, 2004	2 sessions
August 5, 2004	2 sessions
August 6, 2004	2 sessions
March 3, 2005	2 sessions
<u>March 4, 2005</u>	<u>2 sessions</u>

Total Forum Fees	= \$ 15,600.00
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1. The Panel has assessed \$ 7,800.00 of the forum fees to Claimant.
2. The Panel has assessed \$ 7,800.00 of the forum fees jointly and severally to Respondents.

#### **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 not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

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|----|--|------|--------|
| 1. | Claimant requested tape duplication    | = \$ | 180.00 |
| 2. | Respondents requested tape duplication | = \$ | 180.00 |

### **FEE SUMMARY**

Claimant is assessed and shall pay:

Initial Filing Fee	= \$	375.00
Forum Fees	= \$	7,800.00
<u>Administrative Costs</u>	= \$	180.00
Total Fees	= \$	8,355.00
<u>Less payments</u>	= \$	1,770.00
Balance Due NASD Dispute Resolution	= \$	6,585.00

Respondent, Citigroup, is assessed and shall pay:

<u>Member Fees</u>	= \$	7,000.00
Total Fees	= \$	7,000.00
<u>Less payments</u>	= \$	7,000.00
Balance Due NASD Dispute Resolution	= \$	00.00

Respondents, Citigroup, T. Clark and K. Clark, are jointly and severally assessed and shall pay:

Adjournment Fees	= \$	1,200.00
Forum Fees	= \$	7,800.00
<u>Administrative Costs</u>	= \$	180.00
Total Fees	= \$	9,180.00
<u>Less payments</u>	= \$	1,395.00
Balance Due NASD Dispute Resolution	= \$	7,785.00

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

### **ARBITRATION PANEL**

Frank C. Fogl, Jr., Esq.	-	Public Arbitrator, Presiding Chairperson
Howard S. Averbach, Esq.	-	Public Arbitrator, Panelist
Timothy Shay Davis	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Frank C. Fogl, Jr.  
Frank C. Fogl, Jr., Esq.  
Public Arbitrator, Presiding Chairperson

3/10/05  
Signature Date

Howard S. Averbach, Esq.  
Howard S. Averbach, Esq.  
Public Arbitrator, Panelist

Signature Date

Timothy Shay Davis  
Timothy Shay Davis  
Non-Public Arbitrator, Panelist

Signature Date

March 15, 2005  
Date of Service (For NASD Dispute Resolution office use only)

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