

Award  
NASD Dispute Resolution

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In the Matter of the Arbitration Between:

Name of the Claimants

Vicki Jo Keating  
Christopher Stinson

Case Number: 03-01088

Name of the Respondents

Citigroup Global Markets, Inc f/k/a Salomon Smith Barney, Inc.  
Catherine Lynne Smith  
Wachovia Securities, Inc.

Hearing Site: Baltimore, Maryland

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Nature of the Dispute: Customer vs. Members and Associated Person.

REPRESENTATION OF PARTIES

Claimants, Vicki Jo Keating ("Keating") and Christopher Stinson ("Stinson"), hereinafter collectively referred to as "Claimants", were represented by Frederick W. Rosenberg, Esq., Attorney at Law, Roseland, New Jersey.

Respondents, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Catherine Lynne Smith ("Smith"), were represented by Jennifer M. Blunt, Esq. and Gilbert Boyce, Esq., Kutak Rock, LLP, Washington, DC.

Respondent, Wachovia Securities, Inc. ("Wachovia") was represented by Andrew Park, Esq., Wachovia Securities, Inc., Richmond, Virginia.

CASE INFORMATION

Statement of Claim filed on February 11, 2003.

Claimant Keating signed the Uniform Submission Agreement on January 17, 2003.

Claimant Stinson signed the Uniform Submission Agreement on January 17, 2003.

Statement of Answer filed by Respondents Citigroup and Smith on May 6, 2003.

Respondent Smith signed the Uniform Submission Agreement on July 23, 2003.

A representative of Respondent Citigroup signed the Uniform Submission Agreement on July 2, 2003.

Statement of Answer filed by Respondent Wachovia on May 6, 2003.

A representative of Respondent Wachovia signed the Uniform Submission Agreement on May 6, 2003.

CASE SUMMARY

Claimants asserted the following causes of action, among others: breach of fiduciary duty, material misrepresentation, failure to supervise, unsuitable recommendations, negligence, breach

of contract, and recklessness amounting to fraud under 10b5 of the Securities Exchange Act of 1934. The causes of action relate to the purchase and sale of various technology and growth stocks.

Unless specifically admitted in their Answer, Respondents Citigroup and Smith denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Claimants are precluded from recovery herein under the doctrines of waiver, estoppel and ratification; Claimants fail to state a claim upon which relief may be granted; failure to mitigate damages; and, comparative and contributory negligence.

Unless specifically admitted in its Answer, Respondent Wachovia denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Claimant Keating's claims are barred by the doctrines of waiver, estoppel or ratification; assumption of the risk; Claimant Keating's claims are barred by statutes of limitations; failure to mitigate damages; and the Statement of Claim fails to state a claim upon which relief can be granted.

#### RELIEF REQUESTED

Claimants in their Statement of Claim requested:

Compensatory Damages	\$ 289,971.00
Punitive Damages	\$ 875,000.00
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified
Claimants also requested restoration of margin interest in the amount of \$4,626.00 and lost income in the amount of \$11,809.00.	

Respondents Citigroup and Smith in their Statement of Answer requested that the claim be dismissed in its entirety.

Respondent Wachovia in its Statement of Answer requested that the claim be dismissed in its entirety and that it be awarded costs and attorneys' fees.

#### OTHER ISSUES CONSIDERED AND DECIDED

At the commencement of the hearing on the merits the parties agreed to proceed with a single arbitrator.

At the hearing Claimants moved to preclude Respondent Wachovia from presenting a defense to the claim of unsuitability. The motion was denied.

At the conclusion of Claimants' case-in-chief Respondent Citigroup moved for a directed verdict. The Arbitrator did not rule on the motion.

On June 10, 2004 Claimants dismissed their claim with prejudice against Respondent Wachovia.

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, and the post-hearing submissions, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims against Respondents Citigroup and Smith are denied in their entirety;
2. All claims for attorneys' fees and punitive damages are denied in their entirety;
3. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,
4. 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 = \$ 500.00

##### 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, Citigroup and Wachovia are parties.

##### Citigroup Member Fees

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00
Total Member Fees	= \$8,550.00

##### Wachovia Member Fees

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00
Total Member Fees	= \$8,550.00

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(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: September 15, 2003 1 session

One (1) Hearing session with Panel @ \$1,200.00 = \$ 1,200.00  
Hearing Date: June 7, 2004 1 session

Nine (9) Hearing sessions with Single Arbitrator @ \$450.00 = \$ 4,050.00  
Hearing dates: June 7, 2004 1 session  
June 8, 2004 2 sessions  
June 9, 2004 2 sessions  
June 10, 2004 2 sessions  
June 11, 2004 2 sessions

Total Forum Fees = \$ 6,450.00

1. The Arbitrator has assessed \$3,225.00 of the forum fees to Claimants.
2. The Arbitrator has assessed \$1,612.50 of the forum fees jointly and severally to Respondents Citigroup and Smith.
3. The Arbitrator has assessed \$1,612.50 of the forum fees to Respondent Wachovia.

SEE SUMMARY

1. Claimants are assessed and shall pay the following fees:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 3,225.00
Total Fees	= \$ 3,725.00
Less payments	= \$ 1,700.00
Balance Due NASD Dispute Resolution	= \$ 2,025.00
2. Respondent Citigroup is assessed and shall pay the following fees:

Member Fees	= \$ 8,550.00
Total Fees	= \$ 8,550.00
Less payments	= \$11,937.50
Refund reapplied to CRD account	= \$ 3,387.50
3. Respondent Wachovia is assessed and shall pay the following fees:

Member Fees	= \$ 8,550.00
Forum Fees	= \$ 1,612.50
Total Fees	= \$10,162.50
Less payments	= \$ 8,550.00

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Balance Due NASD Dispute Resolution

= \$ 1,612.50

4. Respondents Citigroup and Smith are jointly and severally assessed and shall pay the following fees:

Forum Fees

= \$ 1,612.50

Less payments

= \$ 1,612.50

Balance Due NASD Dispute Resolution

= \$ 00.00

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

**SOLE ARBITRATOR**

Albert D. Sturtevant

Single Public Arbitrator

Sole Arbitrator's Signature



Albert D. Sturtevant, Esq.  
Single Public Arbitrator

7/21/04  
Signature Date

7/21/04

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