

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Case Number: 03-01119

Phillip and Doris Blazer

Name of the Respondents

Hearing Site: Charlotte, North Carolina

Citigroup Global Markets, Inc. f/k/a
Salomon Smith Barney, Inc.,
Richard Leon Kendrick, III, and
Lawson H. Ballard

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

REPRESENTATION OF PARTIES

Claimants Phillip and Doris Blazer, hereinafter collectively referred to as "Claimants", were represented by T. S. Stern, Jr., Covington, Patrick, Hagins, Stern, & Lewis, PA, Greenville, South Carolina.

Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("SSB"), Richard Leon Kendrick, III ("Kendrick"), and Lawson H. Ballard ("Ballard"), hereinafter collectively referred to as "Respondents", were represented by Cory Hohnbaum, Esq., Kennedy Covington Lobdell & Hickman, LLP, Charlotte, North Carolina.

CASE INFORMATION

Statement of Claim filed on February 24, 2003.

Claimants signed the Uniform Submission Agreement on February 25, 2003.

Statement of Answer filed by Respondents on April 28, 2003.

Respondent SSB signed the Uniform Submission Agreement on May 5, 2003.

Respondent Kendrick signed the Uniform Submission Agreement on April 25, 2003.

Respondent Ballard signed the Uniform Submission Agreement on April 25, 2003.

CASE SUMMARY

Claimants asserted the following causes of action, among others: negligence, unsuitability, failure to supervise, negligent misrepresentation, breach of fiduciary duty, and violation of the South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-8-10. The causes of action relate to purchase and sale of various unspecified stocks, mutual funds, and options.

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, authorization, any losses were the result of unforeseen market fluctuations, waiver, estoppel, ratification, and failure to mitigate.

RELIEF REQUESTED

Claimants in their Statement of Claim requested \$379,022.00 in compensatory damages, prejudgment interest, treble damages, punitive damages, and such other and further relief as the Panel believes is just and proper.

Respondents in their Statement of Answer requested that Claimants' Statement of Claim be dismissed with prejudice and that the costs associated with the arbitration proceeding be assessed against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

At the hearing, Respondents Kendrick and Ballard requested that their CRD records be expunged.

At the conclusion of the Claimants' evidence, Respondents made an oral motion to dismiss. The Panel considered the motion in executive session and determined to reserve making a ruling on the motion pending completion of testimony.

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. All claims against Respondents are denied in their entirety;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Kendrick and Ballard's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Kendrick and Ballard 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 attorneys' fees, except as Fees are specifically addressed below; and,
4. Any and all relief not specifically addressed herein, including punitive damages, 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, Respondent SSB is a party.

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 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 a single arbitrator @ \$450.00 = \$ 450.00

Pre-hearing conference: March 15, 2004 1 session

One (1) Pre-hearing session with Panel @ \$1,200.00 = \$ 1,200.00

Pre-hearing conference: October 27, 2003 1 session

Five (5) Hearing sessions @ \$1,200.00 = \$ 6,000.00

Hearing Dates: April 19, 2004 2 sessions

April 20, 2004 2 sessions

April 21, 2004 1 session

Total Forum Fees = \$ 7,650.00

1. The Panel has assessed \$3,825.00 of the forum fees to Respondent SSB.
2. The Panel has assessed \$3,825.00 of the forum fees jointly and severally to Claimants.

EEE SUMMARY

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

Initial Filing Fee = \$ 500.00

Forum Fees = \$ 3,825.00

Total Fees = \$ 4,325.00

Less payments = \$ 1,700.00

Balance Due NASD Dispute Resolution = \$ 2,625.00

2. Respondent SSB is assessed and shall pay the following fees:

Member Fees	= \$ 8,550.00
Forum Fees	= \$ 3,825.00
Total Fees	= \$12,375.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 3,825.00

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

ARBITRATION PANEL

Zeb E. Barnhardt, Jr., Esq.	-	Public Arbitrator, Presiding Chairperson
Thomas A. Tracy	-	Public Arbitrator, Panelist
Louis M. Davis	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Zeb E. Barnhardt, Jr., Esq.
Public Arbitrator, Presiding Chairperson

4/23/04
Signature Date

Thomas A. Tracy
Public Arbitrator, Panelist

Signature Date

Louis M. Davis
Non-Public Arbitrator, Panelist

Signature Date

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

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Concurring Arbitrators' Signatures

Zeb E. Barnhardt, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Thomas A. Tracy

Thomas A. Tracy
Public Arbitrator, Panelist

April 28, 2004

Signature Date

Louis M. Davis
Non-Public Arbitrator, Panelist

Signature Date

April 30, 2004

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

Concurring Arbitrators' Signatures

Public Arbitrator, Presiding Chairperson

Signature Date

Public Arbitrator, Panelist

Signature Date

Non-Public Arbitrator, Panelist

Signature Date

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