

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

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In the Matter of the Arbitration Between:

Martha Adams, as Individual and Trustee of the Lawrence Adams Trust u/a/d 7/27/98 and Martha A. Adams Trust u/a/d 11/10/99 (Claimants) v. Citigroup Global Markets, Inc. and Sharon M. Cunningham (Respondents)

Case Number: 03-03372

Hearing Site: Cleveland, Ohio

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

**REPRESENTATION OF PARTIES**

Claimants Martha Adams ("M. Adams"), Lawrence Adams Trust u/a/d 7/27/98 ("L. Adams Trust"), and Martha A. Adams Trust u/a/d 11/10/99 ("M. Adams Trust") hereinafter collectively referred to as "Claimants": Jeffrey Plotkin, Esq., Eiseman Levine Lehrhaupt & Kakoyiannis, P.C., New York, NY.

Respondents Citigroup Global Markets, Inc. ("Citigroup") and Sharon M. Cunningham ("S. Cunningham") hereinafter collectively referred to as "Respondents": Ellen Slipp, Esq., Citigroup Global Markets, Inc. New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: May 7, 2003.

Claimants signed the Uniform Submission Agreement: May 4, 2003.

Joint Statement of Answer filed by Respondents on or about: August 18, 2003.

Respondent Citigroup did not sign the Uniform Submission Agreement.

Respondent S. Cunningham did not sign the Uniform Submission Agreement.

**CASE SUMMARY**

Claimants asserted the following causes of action: fraud; breach of fiduciary duty; and negligence. The causes of action relate to American International Group, Amgen, AOL Time Warner, Chase Manhattan Bank, Cisco, Citigroup, Dell Computer, EMC Corp., Federal National Mortgage Association, General Electric, Home Depot, MBNA Corp., MCI Worldcom, Microsoft, United Parcel Service, Walmart, and Yahoo.

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

### **RELIEF REQUESTED**

Claimants requested compensatory damages in the amount of \$600,000.00, plus accrued interest; punitive damages in the amount of \$300,000.00; reasonable attorneys' fees and costs; and such other relief as the Panel may deem just and proper.

Respondents requested that the Claimants' Statement of Claim be dismissed with prejudice, in its entirety; and that the arbitrators award Respondents costs and such other relief as they deem just and proper.

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

Respondents did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

On or about June 22, 2004, Claimants notified NASD Dispute Resolution that the parties had entered into a settlement agreement. In addition, by a separate letter dated June 22, 2004, the parties submitted a Withdrawal of Claim and Stipulation of Certain Facts Related to Expungement Application and request for a stipulated award for the Panel's approval. This document is annexed hereto as Exhibit "A".

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

### **AWARD**

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Claimants' claims are dismissed in their entirety.
2. Claimants' claims against Respondent S. Cunningham are withdrawn with prejudice.
3. Each party shall bear its own costs and expenses.
4. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Sharon M. Cunningham'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, Respondent S. Cunningham must obtain confirmation from a court of competent jurisdiction before CRD will execute

the expungement directive.

5. 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, Inc. 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 firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, Citigroup Global Markets, Inc. is a party.

Member Surcharge	= \$2,250.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$4,000.00
Total Member Fees	= \$7,000.00

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

The Panel assesses forum fees for each hearing session conducted. A hearing 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. Forum fees associated with these proceedings are:

One (1) Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$1,200.00
Pre-hearing conference: March 5, 2004 1 session	
Total Forum Fees	= \$1,200.00

1. The Panel has assessed \$600.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$600.00 of the forum fees jointly and severally against Respondents.

**Fee Summary**

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	<u>= \$ 600.00</u>
Total Fees	= \$ 975.00
<u>Less payments</u>	<u>= \$1,575.00</u>
Refund Due to Claimants	= \$ 600.00

2. Respondent Citigroup is solely liable for:

Member Fees	= \$7,000.00
Total Fees	= \$7,000.00
<u>Less payments</u>	<u>= \$7,000.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 600.00

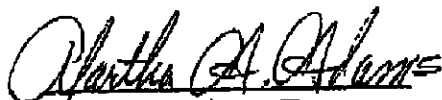
All balances are due and payable to NASD Dispute Resolution.

**Parties' Signatures**



Martha A. Adams  
Claimant

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



Martha A. Adams, Trustee  
Lawrence Adams Trust u/a/d 7/27/98  
Claimant

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



Martha A. Adams, Trustee  
Martha A. Adams Trust u/a/d 11/10/99  
Claimant

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

\_\_\_\_\_  
Citigroup Global Markets, Inc.  
Respondent

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

\_\_\_\_\_  
Susan M. Cunningham  
Respondent

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

**Parties' Signatures**

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Martha A. Adams  
Claimant

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Signature Date

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Martha A. Adams, Trustee  
Lawrence Adams Trust u/a/d 7/27/98  
Claimant

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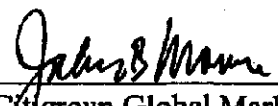
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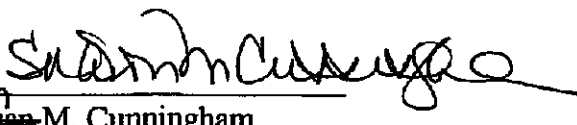
Martha A. Adams, Trustee  
Martha A. Adams Trust u/a/d 11/10/99  
Claimant

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Signature Date

  
Citigroup Global Markets, Inc.  
Respondent

  
Signature Date

   
~~Sharon~~ Susan M. Cunningham  
Respondent

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Signature Date

**ARBITRATION PANEL**

Edward F. Siegel, Esq.	-	Public Arbitrator, Presiding Chair
Benjamin B. Segel, Esq.	-	Public Arbitrator
David A. Ruckman	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Edward F. Siegel, Esq.  
Public Arbitrator, Presiding Chair

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

\_\_\_\_\_  
Benjamin B. Segel, Esq.  
Public Arbitrator

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

  
\_\_\_\_\_  
David A. Ruckman  
Non-Public Arbitrator

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

\_\_\_\_\_  
November 15, 2004  
Date of Service (For NASD office use only)

ARBITRATION PANEL

Edward F. Siegel, Esq.	-	Public Arbitrator, Presiding Chair
Benjamin B. Segel, Esq.	-	Public Arbitrator
David A. Ruckman	-	Non-Public Arbitrator

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Edward F. Siegel, Esq.  
Public Arbitrator, Presiding Chair

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Signature Date

  
Benjamin B. Segel, Esq.  
Public Arbitrator

11/15/04  
Signature Date

\_\_\_\_\_  
David A. Ruckman  
Non-Public Arbitrator

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

November 15, 2004  
Date of Service (For NASD office use only)



NATIONAL ASSOCIATION OF SECURITIES DEALERS INC.  
BEFORE NASD Dispute Resolution Inc.

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Exhibit A

MARTHA A. ADAMS, as Individual and Trustee, : NASD-DR Arbitration  
LAWRENCE ADAMS TRUST U/A/D 7/27/98, and : No. 03-03372  
MARTHA ADAMS TRUST U/A/D 11/10/99, :

Claimants, :

-against- :

CITIGROUP GLOBAL MARKETS, INC. and :  
SHARON M. CUNNINGHAM, :

Respondents. :  
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WITHDRAWAL OF CLAIM AND  
STIPULATION OF CERTAIN FACTS  
RELATED TO EXPUNGEMENT APPLICATION

Claimant, Martha A. Adams, individually and as trustee, hereby withdraws with  
prejudice her Statement of Claim herein and the allegations therein as to Sharon Cunningham.

Claimant does not oppose issuance of an order of expungement of this Claim from the  
CRD of Ms. Cunningham, with knowledge that the Order of expungement may incorporate by  
reference, or in whole text, the following Stipulation of Certain Facts:

STIPULATION OF CERTAIN FACTS

1. The parties hereto agree that the Award section of the Arbitrators' order in this matter  
may contain the following statements:

2. "All Claims against Respondent Sharon Cunningham are withdrawn with prejudice".
3. "Each party shall bear its own costs and expenses".
4. "The Panel directs the expungement of all reference to the above captioned arbitration from Respondent Sharon Cunningham'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, Respondent Sharon Cunningham must obtain confirmation of this Award from a court of competent jurisdiction before the CRD will execute this expungement directive".
5. "Respondent Sharon Cunningham has been a registered representative for 14 years, and since 1993 has been a registered representative with Salomon Smith Barney (now "Citigroup Global Markets")."
6. "During that time, except for the instant matter, there have been no customer arbitrations commenced against her."
7. "During the period relevant to the Claim, Claimant was a customer of Salomon Smith Barney. Respondent Sharon Cunningham was assigned to work with the Fishbein Group, a/k/a Fishbein Portfolio Management, assigned to other more senior account executives experienced in providing investment advice to and managing discretionary accounts for customers of the broker-dealer for a fee. Those senior account executives were a Portfolio Management Director and a Portfolio Manager. Claimant was a customer whose accounts were managed by and for whom the Fishbein Group made investment decisions, and to whom it provided cash flow analyses and other analyses."

8. "Respondent Sharon Cunningham received a total of approximately \$6,000 from the Fishbein Group in connection with the fees earned by it from managing Claimant's accounts."
9. "Based upon the foregoing understanding of the circumstances, Claimant does not oppose the Arbitrators' issuance of a directive of expungement of this Claim from Respondent Sharon Cunningham's CRD."

Dated: New York, New York  
June 16, 2004

EISEMAN LEVINE LEHRHAUPT  
& KAKOYIANNIS

By: 

Jeffrey Plotkin

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New York, New York 10022  
(212) 752-1000

*Attorneys for Claimants Martha A. Adams,  
Lawrence Adams Trust U/A/D 7/27/98,  
and Martha Adams Trust U/A/D 11/10/99*

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By: 

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(212) 759-2400

*Attorneys for Respondent Sharon  
Cunningham*

8. "Respondent Sharon Cunningham received a total of approximately \$6,000 from the Fishbein Group in connection with the fees earned by it from managing Claimant's accounts."
9. "Based upon the foregoing understanding of the circumstances, Claimant does not oppose the Arbitrators' issuance of a directive of expungement of this Claim from Respondent Sharon Cunningham's CRD."

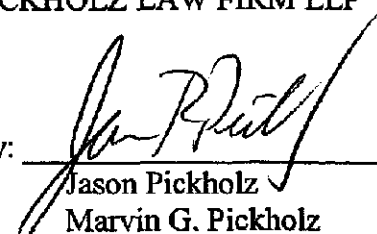
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*Attorneys for Respondent Sharon  
Cunningham*