
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Huguette Turler Arndt
Alain Turler

Case Number: 03-04084

Name of the Respondent

Salomon Smith Barney

Hearing Site: Tampa, Florida

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Huguette Turler Arndt and Alain Turler, hereinafter collectively referred to as "Claimants": Scott J. Link, Esq. and Ryon M. McCabe, Esq., Ackerman, Link & Sartory, P.A., West Palm Beach, Florida.

For Salomon Smith Barney, hereinafter referred to as "Respondent": Todd A. Zuckerbrod, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: June 4, 2003.

Claimants signed the Uniform Submission Agreements: April 28, 2003.

Statement of Answer filed by Respondent on or about: June 2, 2003.

Respondent signed the Uniform Submission Agreement: August 20, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; negligence, including violation of various industry standards; negligent supervision; unsuitability; breach of contract; disgorgement of fees; and, violation of Chapter 517.301 of the Florida Statutes. The causes of action relate to the purchase in Claimants' accounts of various common stocks predominantly from the technology, internet and telecommunications sector, including, but not limited to, the following: Akamai Technologies; Applied Materials; Brocade Communications; Corvis; Digex, Inc.; Doubleclick; Echostar; Enron; Fedex Corp.; International Rectifier; Juniper Networks; Level 3 Communications; Metromedia Fiber Networks; Oracle; PMC Sierra; Realnetworks; Rowan Companies; Sprint; Sycamore Networks; Verisign; Veritas; Vitesse Semiconductor; Zoran; Active Power, Inc; Agilent Technologies; Analog Devices; Applied Microcircuits; Barr Laboratories; Bea Systems; Beacon Power; Broadcom; Fuelcell Energy; Genentech; Genzyme; Goldman Sachs; Medimmune; Mesa Air Group; Oni Systems; Qualcomm; Storagenetworks; Sun Microsystems; and, Zilinx.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$340,000.00, attorneys' fees, interest, costs and such other

relief as the Panel deemed fair and appropriate.

Respondent requested that the Statement of Claim be dismissed in its entirety and that Respondent be awarded its fees and expenses, including forum fees and all other costs of this proceeding.

OTHER ISSUES CONSIDERED AND DECIDED

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

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent is liable on the following claims: negligent supervision, Article III, Section 27, NASD Rules; suitability; and, breach of fiduciary duty, Fla. Stat 517.301(1)(a) 1 & 2. Accordingly, Respondent shall pay to Claimants compensatory damages in the amount of \$327,267.77, plus interest in the amount of \$49,950.92.

The Panel directs Claimants to a court of competent jurisdiction for a determination on the issue of attorneys' fees based on its finding of a violation of Florida Statute 517.

Respondent is liable and shall reimburse Claimants their costs incurred in connection with this proceeding in the amount of \$13,066.26, including the \$300.00 non-refundable claim filing fee paid by Claimants to NASD Dispute Resolution, \$5,692.90 in expert witness fees, and \$7,073.36 in other costs.

All other claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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	= \$ 300.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent is a member firm and a party.

Member Surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00
Total Member Fees	= \$5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

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February 15, 16, 17 and 18, 2005; adjournment by Claimants

= \$1,125.00

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session.

No three-day cancellation fees were assessed in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

Injunctive relief fees were not assessed in this matter.

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:

Two (2) Pre-hearing sessions with the Panel @ \$1,125.00/session = \$ 2,250.00

Pre-hearing conferences: December 15, 2003 1 session
 September 15, 2004 1 session

Nine (9) Hearing sessions @ \$1,125.00/session = \$10,125.00

Hearing Dates: April 25, 2005 2 sessions
 April 26, 2005 2 sessions
 April 27, 2005 2 sessions
 April 28, 2005 3 sessions

Total Forum Fees = \$12,375.00

The Panel has assessed forum fees of \$562.50 to Claimants, jointly and severally.

The Panel has assessed forum fees of \$11,812.50 to Respondent.

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

There were no administrative costs incurred in this matter.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee

= \$ 300.00

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Adjournment Fee	= \$ 1,125.00
Forum Fees	= \$ 562.50
Total Fees	= \$ 1,987.50
Less Payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 562.50

Respondent is solely liable for:

Member Fees	= \$ 5,200.00
Forum Fees	= \$11,812.50
Total Fees	= \$17,012.50
Less Payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$11,812.50

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

ARBITRATION PANEL

Ian S. Greig	-	Public Arbitrator, Presiding Chairperson
Richard Hoffman, CFP	-	Public Arbitrator
John Steve Azadian	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Ian S. Greig
Public Arbitrator, Presiding Chairperson

May 4, 2005
Signature Date

/s/
Richard Hoffman, CFP
Public Arbitrator

May 5, 2005
Signature Date

/s/
John Steve Azadian
Non-Public Arbitrator

May 4, 2005
Signature Date

May 5, 2005
Date of Service (For NASD Dispute Resolution office use only)

MAY. 2. 2005 9:53 PM

NASD REGULATIONS

NO. 185

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 Public Arbitrator, Presiding Chairperson


 Signature/Date

 Richard Hoffman, CFP
 Public Arbitrator

 Signature Date

 John Steve Azadian
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Public Arbitrator, Presiding Chairperson

Signature Date


Richard Hoffman, CFP
Public Arbitrator

5/5/05
Signature Date

John Steve Azadian
Non-Public Arbitrator

Signature Date

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 Ian S. Greig
 Public Arbitrator, Presiding Chairperson

 Signature Date

 Richard Hoffman, CFP
 Public Arbitrator

 Signature Date


 John Steve Azadian
 Non-Public Arbitrator

5/4/05
 Signature Date

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