

Award
NASD Dispute Resolution

In the Matter of the Arbitrations Between:

Citigroup Global Markets Inc. f/k/a Salomon Smith Barney, Inc., Claimant v. Kimela K. Seay,
Respondent

Kimela K. Seay, Counter-Claimant v. Citigroup Global Markets Inc. f/k/a Salomon Smith Barney,
Inc., Counter-Respondent

Case Number: 04-00009

Hearing Site: Los Angeles, California

Nature of the Disputes:
Member v. Associated Person
Associated Person v. Member

REPRESENTATION OF PARTIES

For Claimant/Counter-Respondent
(hereinafter referred to as Claimant):

Brian D. Todd, Esq.
Hillis Clark Martin & Peterson, P.S.
Seattle, Washington

For Respondent/Counter-Claimant
(hereinafter referred to as Respondent):

Leon R. Harris, III, Esq.
Attorney at Law
Bakersfield, California

CASE INFORMATION

Statement of Claim filed: December 31, 2003

Statement of Answer and Amended Statement of Answer to Respondent's Counterclaim filed by
Claimant: September 17, 2004

Claimant's Uniform Submission Agreement signed: October 31, 2003

Statement of Answer filed by Respondent: February 25, 2004

Counterclaim filed by Respondent: February 25, 2004

Respondent's Uniform Submission Agreement signed: February 25, 2004

CASE SUMMARY

In its Statement of Claim, Claimant alleged default under a promissory note/forgivable loan agreement and breach of contract.

In her Statement of Answer, Respondent denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and asserted affirmative defenses.

In her Counterclaim, Respondent alleged negligent and intentional infliction of emotional distress and breach of contract.

In its Answer and Amended Answer to the Counterclaim, Claimant denied the allegations of wrongdoing set forth in Respondent's Counterclaim.

RELIEF REQUESTED

In its Statement of Claim, Claimant requested \$21,126.60 in compensatory damages, pre- and post-judgment interest, and costs, including attorney's fees.

In her Statement of Answer, Respondent requested dismissal of the Claimant's Statement of Claim in its entirety.

In her Counterclaim, Respondent requested \$110,000.00 in compensatory damages and costs.

In its Answer and Amended Answer to the Counterclaim, Claimant requested dismissal of Respondent's Counterclaim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On March 17, 2004, Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On March 23, 2004, Respondent's counsel signed a Waiver Agreement on Respondent's behalf expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable to and shall pay Claimant the sum of \$21,126.60 in compensatory damages for Claimant's Statement of Claim. Claimant is liable to and shall pay Respondent the sum of \$12,000.00 in compensatory damages for Respondent's Counterclaim. Therefore, Respondent is liable to and shall pay Claimant the net sum of \$9,126.60 in compensatory damages.
2. Respondent is liable to and shall pay Claimant the sum of \$4,400.00 in interest.
3. Respondent is liable to and shall pay Claimant the sum of \$6,208.95 in attorney's fees, pursuant to contract.
4. Respondent is liable to and shall pay Claimant the sum of \$706.46 as reimbursement for costs pursuant to contract.
5. All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code of Arbitration Procedure ("Code"), the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 750.00
Respondent's Counterclaim filing fee	= \$ 300.00

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Citigroup Global Markets Inc. f/k/a Salomon Smith Barney, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 425.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 2,750.00
Total Member Fees	= \$ 3,925.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

One (1) Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$ 1,125.00
Pre-hearing conference: May 25, 2004 1 session	
Two (2) Hearing sessions @ \$1,125.00/session	= \$ 2,250.00
Hearings: October 12, 2004 2 sessions	
Total Forum Fees	= \$ 3,375.00

The Panel assessed \$3,375.00 of the forum fees to Respondent Kimela K. Seay.

Fee Summary

1. Claimant Citigroup Global Markets Inc. f/k/a Salomon Smith Barney, Inc. is charged with the following fees and costs:

Initial Filing Fee	= \$ 750.00
<u>Member Fees</u>	<u>= \$ 3,925.00</u>
Total Fees	= \$ 4,675.00
<u>Less payments</u>	<u>= \$ (4,975.00)</u>
Refund Due Claimant Citigroup Global Markets Inc. f/k/a Salomon Smith Barney, Inc.	= \$ (300.00)
2. Respondent Kimela K. Seay is charged with the following fees and costs:

Counterclaim Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$ 3,375.00</u>
Total Fees	= \$ 3,675.00
<u>Less payments</u>	<u>= \$ (1,425.00)</u>
Balance Due NASD Dispute Resolution	= \$ 2,250.00

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

ARBITRATION PANEL

Lisa C. Anderson, Esq.	-	Public Arbitrator, Presiding Chair
William E. Winfield, Esq.	-	Public Arbitrator
Theodore G. Bradpiece	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Lisa C. Anderson, Esq.
Chair, Public Arbitrator

Signature Date

William E. Winfield, Esq.
Public Arbitrator

Signature Date

Theodore G. Bradpiece
Non-Public Arbitrator

Signature Date

Date of Service

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William E. Winfield, Esq.	-	Public Arbitrator
Theodore G. Bradpiece	-	Non-Public Arbitrator

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Lisa C. Anderson, Esq.
Chair, Public Arbitrator

10-13-04
Signature Date

William E. Winfield, Esq.
Public Arbitrator

Signature Date

Theodore G. Bradpiece
Non-Public Arbitrator

Signature Date

10/13/04
Date of Service

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Lisa C. Anderson, Esq.
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Signature Date

William E. Winfield, Esq.
Public Arbitrator

Signature Date


Theodore G. Bradpiece
Non-Public Arbitrator

October 12, 2004
Signature Date

10/13/04
Date of Service

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William E. Winfield, Esq.	-	Public Arbitrator
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Date of Service