

**Award  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Names of the Claimants

Irving Jacobs  
Estelle Jacobs

Case Number: 04-00073

Names of the Respondents

Citigroup Global Markets, Inc.  
f/k/a Salomon Smith Barney, Inc.  
Ronald Charles Senegal

Hearing Site: Washington, D.C.

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*Nature of the Dispute:* Customers vs. Member and Associated Person.

**REPRESENTATION OF PARTIES**

Claimants, Irving Jacobs and Estelle Jacobs, hereinafter collectively referred to as "Claimants", were represented by Patricia E. Connelly, Esq., Trout Cacheris, PLLC, Washington, D.C.

Respondents, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Ronald Charles Senegal ("Senegal"), hereinafter collectively referred to as "Respondents", were represented by Joseph Ingrisano, Esq. and Nancy E. Nunan, Esq., Kutak Rock, LLP, Washington D.C.

**CASE INFORMATION**

Statement of Claim filed on January 6, 2004.

Claimants signed the Uniform Submission Agreement on December 23, 2003.

Statement of Answer filed by Respondents on March 25, 2004.

A representative of Respondent Citigroup executed the Uniform Submission Agreement on March 24, 2004.

Respondent Senegal did not file a Uniform Submission Agreement with NASD Dispute Resolution.

**CASE SUMMARY**

In the Statement of Claim, Claimants asserted the following causes of action, among others: breach of fiduciary duty, violation of suitability rules, gross negligence, negligence, and failure to supervise. The causes of action relate to the purchase and sale of various unspecified common stocks and technology stocks.

Unless specifically admitted in their Statement of Answer, Respondents denied the allegations made in the Statement of Claim.

### **RELIEF REQUESTED**

Claimants in the Statement of Claim requested:

Compensatory Damages	\$ 307,000.00
Punitive Damages	\$ 5,000,000.00
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents requested that Claimants' Statement of Claim be dismissed in its entirety and that they be awarded costs.

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

Respondent Senegal did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim and appeared and testified at the hearing, is bound by the determination of the Arbitration Panel (the "Panel") on all issues submitted.

At the hearing on the merits, Respondent Senegal requested that the Panel order the expungement of all reference to this matter from his Central Registration Depository ("CRD") record.

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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are denied in their entirety;
2. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Senegal's registration records maintained by the CRD with the understanding that, pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Senegal 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, except as Fees are specifically addressed below;  
and
3. 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 = \$ 600.00

#### **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. Accordingly, Respondent Citigroup is a party.

Member surcharge = \$ 3,350.00  
Pre-hearing process fee = \$ 750.00  
Hearing process fee = \$ 5,500.00

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

June 7-9, 2005, adjournment by Respondents = \$ 1,200.00

#### **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:

June 7-9, 2005, adjournment by Respondents = \$ 300.00

#### **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 Panel @ \$ 1,200.00 = \$ 1,200.00

Pre-hearing conference: September 2, 2004 1 session

Ten (10) Hearing sessions @ \$ 1,200.00 = \$ 12,000.00

Hearing Dates: July 13, 2005 1 session  
July 18, 2005 2 sessions  
July 19, 2005 2 sessions  
July 20, 2005 2 sessions  
July 21, 2005 3 sessions

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Total Forum Fees = \$ 13,200.00

1. The Panel has assessed \$ 6,000.00 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$ 7,200.00 of the forum fees to jointly and severally Respondents.

**Fee Summary**

1. Claimants are jointly and severally assessed and shall pay:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 6,000.00
Total Fees	= \$ 6,600.00
Less payments	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 4,800.00
  
2. Respondent Citigroup is assessed and shall pay:

Member Fees	= \$ 9,600.00
Total Fees	= \$ 9,600.00
Less payments	= \$ 9,600.00
Balance Due NASD Dispute Resolution	= \$ 0.00
  
3. Respondents are jointly and severally assessed and shall pay:

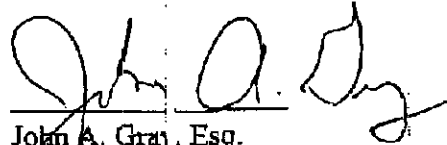
Adjournment Fee	= \$ 1,200.00
Three-Day Cancellation Fee	= \$ 300.00
Forum Fees	= \$ 7,200.00
Total Fees	= \$ 8,700.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 8,700.00

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

**ARBITRATION PANEL**

John A.Gray, Esq.	-	Public Arbitrator, Presiding Chairperson
Marshall Passman	-	Public Arbitrator, Panelist
John Hills Diamond	-	Non-Public Arbitrator, Panelist

**Concurring Arbitrators' Signatures**

  
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John A. Gray, Esq.  
Public Arbitrator, Presiding Chairperson

7-29-05  
Signature Date

\_\_\_\_\_  
Marshall Passman  
Public Arbitrator, Panelist

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

\_\_\_\_\_  
John Hills Diamond  
Non-Public Arbitrator, Panelist

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

July 29, 2005  
Date of Service (For NASD Dispute Resolution office use only)

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Concurring Arbitrators' Signatures

John A. Gray, Esq.  
Public Arbitrator, Presiding Chairperson

Signature Date

Marshall Passman  
Marshall Passman  
Public Arbitrator, Panelist

July 28, 2005  
Signature Date

John Hills Diamond  
Non-Public Arbitrator, Panelist

Signature Date

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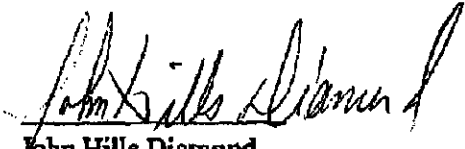
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John A. Gray, Esq.  
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Public Arbitrator, Panelist

Signature Date

  
John Hills Diamond  
Non-Public Arbitrator, Panelist

7/28/05  
Signature Date

July 29, 2005  
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