

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Alice Adjmi (Claimant) v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.
(Respondent)

Case Number: 04-04520

Hearing Site: Newark, New Jersey

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

Claimant Alice Adjmi hereinafter referred to as "Claimant": Ryan McCabe, Esq., Ackerman Link Sartory, West Palm Beach, FL.

Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. hereinafter referred to as "Respondent": Richard C. Szuch, Esq., Dillon, Bitar & Luther, L.L.C., Morristown, NJ. Previously represented by: Sean J. Coughlin, Esq., Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: June 18, 2004.

Claimant signed the Uniform Submission Agreement: June 8, 2004.

Statement of Answer filed by Respondent on or about: September 10, 2004.

Respondent signed the Uniform Submission Agreement: September 10, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: negligence; unsuitability; violations of Florida Statute §517.301; violations of New Jersey Statutes §49:3-53 and §49:3-71; breach of fiduciary duty; negligent supervision; and breach of contract. The causes of action relate to unspecified securities.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$750,000.00; attorneys' fees; interest; costs; and such other relief as the arbitrators deem fair and appropriate.

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

OTHER ISSUES CONSIDERED AND DECIDED

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.

During the hearing, Respondent made a Motion to Dismiss. After due deliberation, the Panel denied the Motion.

ARBITRATORS' REPORT

At the hearing, claimant acknowledged that the vast majority of the transactions in the account were initiated by her, not by the financial consultant, that the order tickets (with a few minor exceptions) were properly marked unsolicited, and that she directed many of the transactions in the account and the use of substantial margin against the advice of the financial consultant. Transactions in three particular securities, which she specifically acknowledged she made against the advice of the financial consultant, resulted in a substantial portion of her total loss.

Claimant asserted that respondent was guilty of negligent supervision, in that respondents internal policies and procedures provided for branch managers to take affirmative action, up to and including terminating the client relationship, when an account displayed characteristics, in terms of volume of trading, commissions generated, and level of risk, that claimant's account demonstrated month after month.

The branch manager did not in fact take the actions outlined in respondent's policy manual, and should have done so. However, claimant failed to meet her burden of demonstrating that the branch manager's failure to take these actions caused or contributed to her losses, or that her conduct would have been affected by his taking these actions. Significantly, she repeatedly rejected the advice of the financial consultant, who had and continues to have the confidence of claimant's father and other family members with respect to the handling of accounts far greater in value than that of claimant.

AWARD

After considering the pleadings, and 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. Claimant's claims are denied in their entirety.
2. Respondent's request for an award of costs and expenses is denied.
2. Any and all relief not specifically addressed herein is denied.

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 = \$375.00

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, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. is a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 900.00
Pre-hearing conference: April 7, 2005 1 session	
May 6, 2005 1 session	
One (1) Pre-hearing session with Panel @ \$1,200.00	= \$1,200.00
Pre-hearing conference: November 24, 2004 1 session	
Four (4) Hearing sessions @ \$1,200.00	= \$4,800.00
Hearing Dates: May 10, 2005 2 sessions	
May 11, 2005 2 sessions	
Total Forum Fees	= \$6,900.00

1. The Panel has assessed \$3,450.00 of the forum fees against Claimant.
2. The Panel has assessed \$3,450.00 of the forum fees against Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	= \$ 3,450.00
Total Fees	= \$ 3,825.00
<u>Less payments</u>	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 2,250.00

2. Respondent is solely liable for:

Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	= \$ 3,450.00
Total Fees	= \$10,450.00
<u>Less payments</u>	= \$11,750.00
Refund Due Respondent	= \$ 1,300.00

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

NASD REGULATION


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ARBITRATION PANEL

David I. Goldblatt, Esq.	-	Public Arbitrator, Presiding Chairperson
Wayne P. Greene, Esq.	-	Public Arbitrator
Joseph Rudolph Guarino, Jr.	-	Non-Public Arbitrator

Concurring Arbitrators' Signature

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



David I. Goldblatt, Esq.
Public Arbitrator, Presiding Chairperson




Signature Date

Wayne P. Greene, Esq.
Public Arbitrator

Signature Date

Joseph Rudolph Guarino, Jr.
Non-Public Arbitrator

Signature Date



Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

David I. Goldblatt, Esq.	-	Public Arbitrator, Presiding Chairperson
Wayne P. Greene, Esq.	-	Public Arbitrator
Joseph Rudolph Guarino, Jr.	-	Non-Public Arbitrator

Concurring Arbitrators' Signature

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David I. Goldblatt, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Wayne Greene
Wayne P. Greene, Esq.
Public Arbitrator

5-30-05
Signature Date

Joseph Rudolph Guarino, Jr.
Non-Public Arbitrator

Signature Date

May 26, 2005
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

David I. Goldblatt, Esq.	-	Public Arbitrator, Presiding Chairperson
Wayne P. Greene, Esq.	-	Public Arbitrator
Joseph Rudolph Guarino, Jr.	-	Non-Public Arbitrator

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David I. Goldblatt, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Wayne P. Greene, Esq.
Public Arbitrator

Signature Date



Joseph Rudolph Guarino, Jr.
Non-Public Arbitrator

May 26, 2005

Signature Date

May 26, 2005

Date of Service (For NASD Dispute Resolution use only)