

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

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In the Matter of the Arbitration Between:

William Bing and Arlene Bing, Individually and as Trustees of the Bing Family Revocable Living Trust dated April 10, 1989, Claimants v. Citigroup Global Markets, Inc., formerly known as Salomon Smith Barney Inc. and Kandy E. Quigg, Respondents

Case Number: 04-05329

Hearing Site: San Francisco, California

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

**REPRESENTATION OF PARTIES**

For Claimants:

George S. Trevor, Esq.  
Trevor & Weixel LLP  
Corte Madera, California

For Respondents:

Michael M. Gless, Esq.  
Keesal, Young & Logan  
Long Beach, California

**CASE INFORMATION**

Statement of Claim filed: July 23, 2004

Claimants' Notice of Non-Opposition to Expungement of CRD Record of Kandy E. Quigg filed: November 17, 2005

Claimants' Uniform Submission Agreement signed: July 14, 2004

Joint Statement of Answer filed by Respondents Citigroup Global Markets, Inc., formerly known as Salomon Smith Barney Inc. ("Citigroup") and Kandy E. Quigg: October 15, 2004

Respondent Kandy E. Quiggs' Motion to Expunge CRD Record and Declaration of Kandy E. Quigg filed: November 17, 2005

Respondent Citigroup's Uniform Submission Agreement signed: September 9, 2004

Respondent Kandy E. Quigg's Uniform Submission Agreement signed: September 17, 2004

### **CASE SUMMARY**

Claimants alleged the following claims with respect to investments in various securities, including but not limited to investments in Intel, Microsoft and Cisco: 1) Negligence; 2) Breach of Contract; 3) Failure to Supervise; 4) Breach of Fiduciary Duty; 5) Common Law Fraud; 6) Breach of Third-Party Beneficiary Contract; 7) Violations of California and Federal Securities Laws; and 8) Financial Abuse of Senior Citizens.

Respondents denied Claimants' allegations of wrongdoing and denied any liability to Claimants. Respondents also asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimants requested:

1. Damages of approximately \$450,000.00;
2. Interest;
3. Attorney's fees;
4. Costs; and
5. Such other and further relief as the Panel may deem just and proper.

Respondents requested:

1. That Claimants take nothing by their Statement of Claim;
2. Costs;
3. Expungement of the claim from Ms. Quigg's CRD record; and
4. Such other and further relief as may be proper.

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

On December 14, 2004, Claimants and Claimants' 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 September 10, 2004, Respondents' 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.

Pursuant to the Code of Arbitration Procedure IM-10100 the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

The Panel 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) On or about November 18, 2005, the Panel was advised that the parties had reached a settlement in this matter.

2) a. A hearing was held on December 22, 2005, regarding Respondent Kandy E. Quiggs' Motion to Expunge CRD Record. Ms. Quigg was present, as was her attorney, Michael Gless and David Perez, the branch manager where the accounts were held. Following the testimony of Quigg and Perez and the submission of various documents concerning the Claimants' accounts with Respondents, the Panel concludes that the claims brought by the Claimants against Ms. Quigg are false and recommends the expungement of all reference to the above captioned arbitration from Respondent Kandy E. Quigg's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Kandy E. Quigg must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

b. Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

c. Pursuant to Rule 2130, the Panel has made the following affirmative findings of fact: The claims brought by the Claimants against Kandy E. Quigg are false.

3) *Each party shall bear its own costs, including attorney's fees.*

4) All other relief not expressly granted is denied.

### **FEES**

Pursuant to the 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	= \$300.00
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### **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, Citigroup is a party and the following fees are assessed:

Member Surcharge	= \$1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

### **Adjournment Fees**

The following adjournment fees are assessed:

The arbitration hearing dates scheduled for August 8-11, 2005, were adjourned at the parties' joint request, so that the parties could mediate this matter. Because NASD Dispute Resolution did not administer the parties' mediation, the Panel assessed the \$1,125.00 adjournment fee as follows: 50% to Claimants; and 50% to Respondents.

### **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/Panel. The following fees are assessed:

(1) Pre-hearing conference session with a single arbitrator @ \$450.00/session	=	\$450.00
Pre-hearing conference: July 7, 2005	1 session	
(1) Pre-hearing conference session with the Panel @ \$1,125.00/session	=	\$1,125.00
Pre-hearing conference: March 22, 2005	1 session	
(1) Hearing session @ \$1,125.00/session	=	\$1,125.00
Hearing Date: December 22, 2005	1 session	
<b>Total Forum Fees</b>	<b>=</b>	<b>\$2,700.00</b>

The Panel assessed \$787.50 in forum fees to Claimants.

The Panel assessed \$1,912.50 in forum fees jointly and severally to Respondents Citigroup and Kandy E. Quigg.

**Fee Summary**

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 562.50
<u>Forum Fees</u>	= \$ 787.50
Total Fees	= \$ 1,650.00
<u>Less Payments</u>	= \$( 1,425.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 225.00</b>

2. Respondent Citigroup is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
<u>Less Payments</u>	= \$( 5,200.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>

3. Respondents Citigroup and Kandy E. Quigg are charged jointly and severally with the following fees and costs:

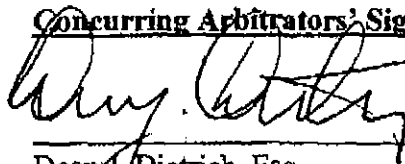
Adjournment Fee	= \$ 562.50
<u>Forum Fees</u>	= \$ 1,912.50
Total Fees	= \$ 2,475.00
<u>Less Payments</u>	= \$( 0.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 2,475.00</b>

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

**ARBITRATION PANEL**

Dean J. Dietrich, Esq.	-	Public Arbitrator, Presiding Chair
Colleen C. Hammer, Esq.	-	Public Arbitrator
Mary Kay Higgins Crockett	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**



Dean J. Dietrich, Esq.  
Chair, Public Arbitrator

12-27-05

Signature Date

Colleen C. Hammer, Esq.  
Public Arbitrator

Signature Date

Mary Kay Higgins Crockett  
Non-Public Arbitrator

Signature Date

12/30/05  
Date of Service

**ARBITRATION PANEL**

Dean J. Dietrich, Esq.	-	Public Arbitrator, Presiding Chair
Colleen C. Hammer, Esq.	-	Public Arbitrator
Mary Kay Higgins Crockett	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

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Dean J. Dietrich, Esq.  
Chair, Public Arbitrator



Colleen C. Hammer, Esq.  
Public Arbitrator

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Signature Date

12.29.05

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Signature Date

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Mary Kay Higgins Crockett  
Non-Public Arbitrator

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Signature Date

12/30/05

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Date of Service

**ARBITRATION PANEL**

Dean J. Dietrich, Esq.	-	Public Arbitrator, Presiding Chair
Colleen C. Hammer, Esq.	-	Public Arbitrator
Mary Kay Higgins Crockett	-	Non-Public Arbitrator

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Dean J. Dietrich, Esq.  
Chair, Public Arbitrator

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Signature Date

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Colleen C. Hammer, Esq.  
Public Arbitrator

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Signature Date

  
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Mary Kay Higgins Crockett  
Non-Public Arbitrator

12/28/05  
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Signature Date

12/30/05  
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Date of Service