

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

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In the Matter of the Arbitration Between:

Stuart and Diane Naar (Claimants) vs. Citigroup Global Markets, Inc and Kathleen P. Sweeney (Respondents)

Case Number: 06-00966

Hearing Site: Newark, New Jersey

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

**REPRESENTATION OF PARTIES**

Claimants Stuart and Diane Naar, hereinafter collectively referred to as "Claimants" appeared *pro se*.

Respondents Citigroup Global Markets, Inc., ("Citigroup"), Kathleen P. Sweeney ("Sweeney") hereinafter collectively referred to as "Respondents": Adam Kauff, Esq., Citigroup Global Markets, Inc., New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: February 24, 2006.  
Claimants signed the Uniform Submission Agreement: February 22, 2006.

Joint Statement of Answer filed by Respondents on or about: April 21, 2006.  
Citigroup did not sign the Uniform Submission Agreement.  
Sweeney did not sign the Uniform Submission Agreement.

**CASE SUMMARY**

Claimants asserted the following causes of action: failure to supervise, breach of fiduciary duty, omission of facts, misrepresentations/non-disclosures, suitability, and manipulations. The causes of action relate to the purchase and sale of various unspecified stocks.

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

**RELIEF REQUESTED**

Claimants requested compensatory damages in the amount of \$68,665.00 and interest.

Respondents requested dismissal of the Statement of Claim in its entirety.

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

Sweeney orally requested expungement of her Central Registration Depository ("CRD") records at the hearings held in this matter.

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

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.

### **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. Respondent Citigroup is liable for and shall pay to Claimants compensatory damages in the amount of \$15,000.00, plus interest at the rate of 9% per annum from February 22, 2006 until payment of the Award.
2. Citigroup is liable for and shall pay to Claimants the sum of \$135.00 to reimburse Claimants for 60% of the non-refundable filing fee previously paid to NASD Dispute Resolution.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Kathleen P. Sweeney's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Kathleen P. Sweeney must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

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.

Pursuant to NASD Rule 2130, the arbitration panel has made the following affirmative findings of fact:

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

4. 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	= \$ 225.00
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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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Citigroup Global Markets, Inc. is a party.

Member surcharge	= \$1,100.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,700.00

### **Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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:

One (1) Decision on discovery-related motions on the papers with (1) one arbitrator @ \$200.00 Claimant submitted (1) discovery-related motion	= \$ 200.00
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One (1) Pre-hearing session with a single arbitrator @ 450.00 Pre-hearing conference: January 5, 2007 1 session	= \$ 450.00
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One (1) Pre-hearing session with Panel @ \$750.00 Pre-hearing conference: July 10, 2006 1 session	= \$ 750.00
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Four (4) Hearing sessions @ \$750.00 Hearing Dates: January 11, 2007 2 sessions January 12, 2007 2 sessions	= \$3,000.00
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Total Forum Fees	= \$4,400.00
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1. The Panel has assessed \$1,760.00 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$2,640.00 of the forum fees to Citigroup.

## **Fee Summary**

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$1,760.00
Total Fees	= \$1,985.00

<u>Less payments</u>	= \$ 975.00
Balance Due NASD Dispute Resolution	= \$1,010.00

*As stated in the "Award" section above, Citigroup shall reimburse Claimants 60% of the filing fee previously paid to NASD Dispute Resolution.*

2. Citigroup is liable for:

Member Fees	= \$3,550.00
Forum Fees	= \$2,640.00
Total Fees	= \$6,190.00
<u>Less payments</u>	= \$3,600.00
Balance Due NASD Dispute Resolution	= \$2,590.00

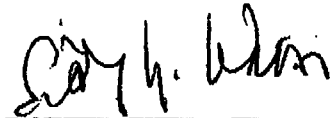
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

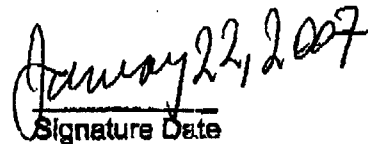
Sidney N. Weiss, Esq.	-	Public Arbitrator, Presiding Chairperson
Craig Scott Bartlett, Jr.	-	Public Arbitrator
Anne Wickham Boyle	-	Non-Public Arbitrator

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.

**Concurring Arbitrators' Signatures**



Sidney N. Weiss, Esq.  
Public Arbitrator, Presiding Chairperson

  
Signature Date

Craig Scott Bartlett, Jr.  
Public Arbitrator

Signature Date

Anne Wickham Boyle  
Non-Public Arbitrator

Signature Date

January 31, 2007  
Date of Service (For NASD Dispute Resolution use only)

**ARBITRATION PANEL**

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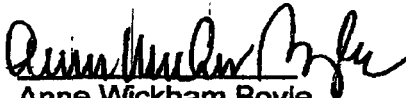
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