

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

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In the Matter of the Arbitration Between:

Ann M. Glassman, A M Glassman Trust U/A/D 12/23/91, and Ray Glassman, Claimants  
v. Citigroup Global Markets, Inc. and David E. Lin, Respondents

Case Number: 06-01180

Hearing Site: Los Angeles, California

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

**REPRESENTATION OF PARTIES**

For Claimants:

Bruce R. Corbett, Esq.  
Corbett, Steelman & Specter  
Irvine, California

Ronald E. Miller  
Loss Recovery Center, Inc.  
Reno, Nevada

For Respondents:

Stacey M. Garrett, Esq.  
David D. Piper, Esq.  
Keesal, Young & Logan  
Long Beach, California

**CASE INFORMATION**

Statement of Claim filed: March 6, 2006

Claimants' Joint Uniform Submission Agreement signed: February 28, 2006

Joint Statement of Answer and Motion to Dismiss filed by Respondents: June 8, 2006

Respondent David E. Lin's Uniform Submission Agreement signed:  
September 15, 2006

### **CASE SUMMARY**

Claimants alleged unsuitability, negligence, breach of fiduciary duty, and failure to supervise. Claimants' claims involved the placement of funds in the following managed accounts: Insight Capital Research & Management Equity Portfolio, Brandes Investment Partners Global Equity Portfolio, and Harris Bretall Sullivan & Smith LLC Large Cap Growth Equity Portfolio. Claimants' claims also involved unspecified annuities, unspecified corporate and government bonds, class C shares in the following mutual funds: Alliance International Premiere Growth Fund, Alliance Premiere Growth Fund, and Alliance Technology Fund, and class A shares in a PIMCO Total Return Fund.

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimants requested \$2,500,000.00 in compensatory damages, pre- and post-judgment interest, and costs, including attorney's fees.

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

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

Respondent Citigroup Global Markets, Inc. did not file with NASD Dispute Resolution a properly executed submission agreement, but is required to submit to arbitration pursuant to the Code and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

In their Answer, Respondents Citigroup Global Markets, Inc. and David E. Lin filed a Motion to Dismiss and asserted that Claimants' claims are barred by applicable statutes of limitation. On September 29, 2006, Claimants filed an Opposition to Respondents' Motion to Dismiss and refuted Respondents' assertions. On October 9, 2006, Respondents' filed a Reply Brief In Support of Motion to Dismiss Claims Based on Expiration of the Statute of Limitations. On October 17, 2006, the Arbitration Panel and parties held an in-person, pre-hearing conference to hear oral argument on Respondents' motion. After due deliberation, the Arbitration Panel granted

Respondents' Motion to Dismiss.

### **AWARD**

After considering the pleadings and oral argument presented at the pre-hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimants' claims are dismissed with prejudice.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All other relief requested and 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	= \$ 500.00
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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, the member firm Citigroup Global Markets, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,000.00
<b>Total Member Fees</b>	<b>= \$ 8,550.00</b>

### **Forum Fees and Assessments**

The Panel 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 hours or less. Fees associated with these proceedings are:

2 Pre-hearing conference sessions with the Panel @ \$1,200.00/session = \$ 2,400.00  
Pre-hearing conferences: September 11, 2006 1 session  
October 17, 2006 1 session

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**Total Forum Fees** = \$ 2,400.00

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

### **Fee Summary**

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

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 1,200.00
Total Fees	= \$ 1,700.00
Less payments	= \$(1,800.00)
<b>Refund Due Claimants</b>	<b>= \$( 100.00)</b>

2. Respondent Citigroup Global Markets, Inc. is charged with the following fees and costs:

Member Fees	= \$ 8,550.00
Less payments	= \$(3,550.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 5,000.00</b>

3. Respondents are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 1,200.00
Less payments	= \$( 0.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 1,200.00</b>

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**

Milton C. Bennett	-	Non-Public Arbitrator, Presiding Chair
David W. Dresnick	-	Public Arbitrator
W. Alex King	-	Public Arbitrator

**Concurring Arbitrators' Signatures**

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Milton C. Bennett  
Chair, Non-Public Arbitrator

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Signature Date

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David W. Dresnick  
Public Arbitrator

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Signature Date

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W. Alex King  
Public Arbitrator

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Signature Date

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Date of Service

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10/18/06  
Signature Date

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Public Arbitrator

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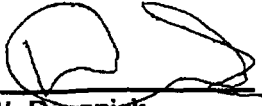
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