

**Award**  
**NASD Regulation, Inc.**

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In the Matter of the Arbitration Between:

Randall P. Cline vs. Smith Barney, formerly Smith Barney Shearson

Case Number: 99-1410

Hearing Site: Detroit, Michigan

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**REPRESENTATION OF PARTIES**

Claimant Randall P. Cline, hereinafter referred to as "Claimant": Attorney Sharon Boelio, Esq., Kaplovitz and Associates, PC, Sylvan Lake, Michigan.

Respondent Salomon Smith Barney, Inc. hereinafter referred to as "Respondent": James S. Goddard, Esq., Salomon Smith Barney, Inc., New York, New York.

**CASE INFORMATION**

Statement of Claim filed on or about: March 24, 1999

Claimant signed the Uniform Submission Agreement: December 9, 1998

Statement of Answer filed by Respondent Salomon Smith Barney on or about: June 17, 1999

Respondent signed the Uniform Submission Agreement: June 17, 1990 (sic)

**CASE SUMMARY**

Claimant asserted that he, an employee of Respondent, purchased 20 call options of Paramount Communications. Claimant alleged that Respondent's computer did not indicate any restrictions and that the order was accepted by Respondent's computer system. Claimant stated that after he sold three of the contracts, Respondent informed him that he had conducted a restricted transaction. Claimant asserted that Respondent then sold the position from Claimant's account. Claimant asserted that Respondent acted fraudulently and was unjustly enriched by its actions.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a claim upon which relief can be granted; by his conduct, Claimant is estopped from asserting the claims; Claimant violated procedures applicable to all employees of Respondent and any lost opportunities suffered by Claimant as a consequence of the trade were caused by Claimant's failure to abide by Respondent's policies and not through any culpable conduct of Respondent; Respondent did not make any misrepresentation of material fact upon which Claimant relied to his detriment; Respondent did not act with any intent to defraud Claimant or with reckless disregard of his interests.

### **RELIEF REQUESTED**

Claimant requested: compensatory damages of \$15,000.00, plus interest costs and attorneys fees in an amount appropriate.

Respondent requested: that Claimant take nothing on his claim, and that it be awarded costs, expenses, and such other relief as the Panel deems just equitable and proper.

### **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.

### **AWARD**

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Claimant Randall P. Cline's claims are denied with prejudice;
- 2.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 3.) That any relief not specifically enumerated is hereby denied with prejudice.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$125.00

#### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge = \$400.00

#### **Forum Fees and Assessments**

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator, including a pre-hearing conference

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with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$450.00  
Pre-hearing conference: October 20, 1999 1 session

One (1) Hearing session x \$450.00 = \$450.00

Hearing Date: January 19, 2000 1 session

Total Forum Fees = \$900.00

The Arbitrator has assessed \$900.00 of the forum fees to Claimant Randall P. Cline.

**Fee Summary**

Claimant Randall P. Cline be and hereby is solely liable for:

Initial Filing Fee	= \$ 125.00
Forum Fees	= \$ 450.00
Total Fees	= \$ 575.00
Less payments	= \$ 575.00
Balance Due NASD Regulation, Inc.	= \$ 0.00

Respondent Smith Barney be and hereby is solely liable for:

Member Fees	= \$ 400.00
Forum Fees	= \$ 0.00
Total Fees	= \$ 400.00
Less payments	= \$ 400.00
Balance Due NASD Regulation, Inc.	= \$ 0.00

All balances are due to NASD Regulation, Inc.

**Concurring Arbitrator's Signature**



George Doom  
Public Arbitrator, Presiding Chair

2-1-2000

Signature Date

Date of Service (For NASD office use only)