

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

**M.C. Keithley, Individually and as Beneficiary of the M.C. Keithley IRA Rollover, Claimant v.
Salomon Smith Barney, Inc. and David Scott, Respondents**

Case Number: 99-04425

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant:

**Jonathan W. Evans, Esq.
Jonathan W. Evans & Associates
Los Angeles, California**

For Respondents:

**Etta M. Gumbs, Esq.
Salomon Smith Barney, Inc.
New York, New York**

CASE INFORMATION

Statement of Claim filed September 24, 1999

Claimant's Uniform Submission Agreement signed: September 21, 1999

**Joint Statement of Answer filed by Respondents Salomon Smith Barney, Inc. and David Scott:
December 22, 1999**

CASE SUMMARY

Claimant alleged negligence, breach of contract, failure to supervise, breach of fiduciary duty, and violation of the NASD Rule of Fair Practice in connection with Respondents' alleged failure to precisely follow the trading activities (the purchase and/or sale of numerous securities) of a "C.J. Lawrence" account.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested compensatory damages in the sum of \$60,000.00, a reasonable rate of return on the sums invested consistent with the rate of return of the "C.J. Lawrence" account, interest, costs, and attorney's fees.

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

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Salomon Smith Barney, Inc. and David Scott did not file with NASD Dispute Resolution, Inc. properly executed submission agreements, 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 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) Claimant's claims are denied in their entirety.
- 2) Each party shall bear its own costs, including attorney's fees
- 3) All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$225.00
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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 which gave rise to the dispute, claim, or controversy. Accordingly, the member firm Salomon Smith Barney, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,000.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 1,500.00</u>
Total Member Fees	= \$ 3,100.00

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 Panel. The following fees are assessed

(1) Pre-hearing conference session with the Panel @ \$750.00/session = \$ 750.00
Pre-hearing conference: June 12, 2000 1 session

(4) Hearing sessions @ \$750.00/session = \$ 3,000.00
Hearings: January 17, 2001 2 sessions
January 18, 2001 2 sessions

Total Forum Fees = \$ 3,750.00

1. The Panel assessed \$ 1,875.00 of the forum fees to Claimant M.C. Keithley, Individually and as Beneficiary of the M.C. Keithley IRA Rollover.
2. The Panel assessed \$ 1,875.00 of the forum fees jointly and severally to Respondents Salomon Smith Barney, Inc. and David Scott.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and other requests.

Respondent, Salomon Smith Barney, Inc., requested
64 photocopies @ \$.50/copy: = \$ 32.00

Fee Summary

1. Claimant, M.C. Keithley, Individually and as Beneficiary of the M.C. Keithley IRA Rollover, is charged with the following fees and costs:

Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	= \$ 1,875.00
<u>Total Fees</u>	= \$ 2,100.00
<u>Less Payments</u>	= \$(975.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,125.00

2. Respondent, Salomon Smith Barney, Inc., is charged with the following fees and costs:

Member Fees	= \$ 3,100.00
<u>Administrative Costs</u>	= 32.00
<u>Total Fees</u>	= \$ 3,132.00
<u>Less Payments</u>	= \$(3,100.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 32.00

3. Respondents, Salomon Smith Barney, Inc. and David Scott, are charged jointly and severally with the following fees and costs:

<u>Forum Fee</u>	= \$ 1,875.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,875.00

All balances are payable to NASD Dispute Resolution, Inc. and are to be paid immediately upon the receipt of the award by the parties pursuant to Rule 10330(g) of the Code.

Concurring Arbitrators' Signatures



Donald S. Simons, Esq.
Chair, Public Arbitrator

1-18-01

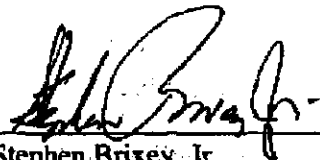
Signature Date



Charles Ajamian
Public Arbitrator

1-18-01

Signature Date



Stephen Bixey, Jr.
Non-Public Arbitrator

1-18-01

Signature Date

1-19-01

Date of Service