

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Jon Stillwell and Geniene Stillwill, individually and as trustees of The Stillwell Family Trust,
Claimants v. Citigroup Global Markets Inc. and Dennis M. Schwary, Respondents

Case Number: 02-01059

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimants:

Geniene B. Stillwell, Esq.
Law Offices of Geniene B. Stillwell
Laguna Beach, California

For Respondents:

Etta M. Gumbs, Esq.
Solomon Smith Barney Inc.
New York, New York

CASE INFORMATION

Initial Statement of Claim filed: February 21, 2002

Amended Statement of Claim filed: February 20, 2004

Claimants' Joint Uniform Submission Agreement signed: February 20, 2002

Respondents' Joint Statement of Answer filed: May 10, 2002

Respondent Citigroup Global Markets Inc.'s Uniform Submission Agreement signed:
May 28, 2002

Respondent Dennis M. Schwary's Uniform Submission Agreement signed: June 12, 2002

CASE SUMMARY

Claimants' Initial Statement of Claim alleged breach of fiduciary duty, unauthorized trading, failure to execute, misrepresentation and non-disclosure, and failure to supervise. Claimants' allegations involved transactions in their margin account in EMC stock.

Claimants' Amended Statement of Claim alleged breach of fiduciary duty, unsuitability, misrepresentation, fraud, and failure to supervise. Claimants' allegations involved transactions in unspecified securities in managed accounts over which Respondents exercised discretionary trading.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Initial Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants' Initial Statement of Claim requested \$110,000.00 in compensatory damages, interest, \$100,000.00 in punitive damages, and costs, including attorney's fees.

Claimants' Amended Statement of Claim requested unspecified compensatory damages, unspecified punitive damages, interest, and attorney's fees.

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

OTHER ISSUES CONSIDERED AND DECIDED

On January 23, 2003, Claimants Jon Stillwell and Geniene Stillwill, individually, and as trustees of The Stillwell Family Trust, 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 May 19, 2003, Respondents' counsel signed a Waiver Agreement on Respondents' behalf, expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On February 2, 2004, Claimants filed a Motion to Amend their Statement of Claim pursuant to the Code of Arbitration Procedure Rule 10328(b). On February 18, 2004, Respondents filed an Opposition thereto. After due deliberation, the Panel granted the motion.

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, and the Parties' request for this stipulated award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants and Respondents have entered into a confidential settlement agreement.
2. Claimants' Claims are dismissed with prejudice.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Dennis M. Schwary's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Dennis M. Schwary must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
4. The parties shall bear their respective costs, including attorney's fees.
5. 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	= \$ 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, the member firm Citigroup Global Markets Inc. 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:

Adjournment of November 6-7, 2003 hearing dates requested by Claimant	= Waived
Adjournment of March 18-19, 2004 hearing dates requested by Claimant	= \$1,125.00
Adjournment of February 8-9, 2005 hearing dates requested by the Parties	= Waived

The Panel assessed \$1,125.00 of the adjournment fees jointly and severally to Claimants.

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:

One (1) Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$ 1,125.00
<u>Pre-hearing conference: March 10, 2003 1 session</u>	<u></u>
Total Forum Fees	= \$ 1,125.00

1. The Panel assessed \$ 562.50 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$ 562.50 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimants Jon Stillwell and Geniene Stillwell are charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 1,125.00
<u>Forum Fees</u>	<u>= \$ 562.50</u>
Total Fees	= \$ 1,987.50
<u>Less payments</u>	<u>= \$(2,550.00)</u>
Refund Due Claimants	= \$ (562.50)

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

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

3. Respondents Citigroup Global Markets Inc. and Dennis M. Schwary are charged jointly and severally with the following fees and costs:


Forum Fees	= \$ 562.50
<u>Less unused Mediation Deposit made by Citigroup</u>	<u>= \$ (562.50)</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

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

James M. Mulcahy, Esq.	-	Public Arbitrator, Presiding Chair
Royal D. Heisser	-	Public Arbitrator
Jon A. Bostrom	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Royal D. Heisser
Public Arbitrator

5-12-2005

Signature Date

Jon A. Bostrom
Non-Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

James M. Mulcahy, Esq.
Chair, Public Arbitrator

Signature Date

May 26, 2005

Date of Service

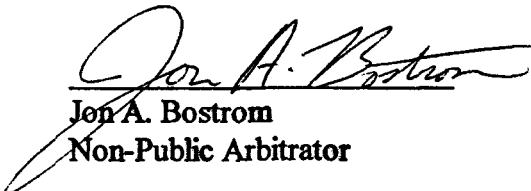
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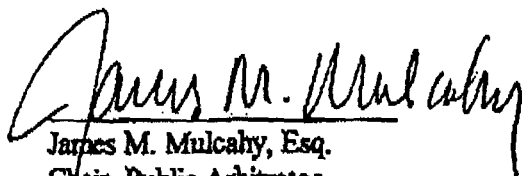
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