

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

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In the Matter of the Arbitration Between:

Gerald Milligan and Ian Milligan (Claimants) v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., Eric Behr, John Chatmas, and Jack Grubman (Respondents)

Case Number: 02-05860

Hearing Site: New York, New York

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

**REPRESENTATION OF PARTIES**

Claimants Gerald Milligan ("G. Milligan") and Ian Milligan ("I. Milligan") hereinafter collectively referred to as "Claimants": John T. McGuire, Esq., John T. McGuire, P.C., New York, NY.

Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup"), Eric Behr ("Behr"), John Chatmas ("Chatmas"), and Jack Grubman ("Grubman") hereinafter collectively referred to as "Respondents": Daniel R. Korb, Jr., Esq., Bressler, Amery & Ross, P.C., New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: September 30, 2002.

Claimants signed the Uniform Submission Agreement: October 14, 2002.

Joint Statement of Answer filed by Respondents on or about: January 30, 2003.

Respondent Citigroup did not sign the Uniform Submission Agreement.

Respondent Behr did not sign the Uniform Submission Agreement.

Respondent Chatmas did not sign the Uniform Submission Agreement.

Respondent Grubman did not sign the Uniform Submission Agreement.

**CASE SUMMARY**

Claimants asserted the following causes of action: (i) securities fraud under federal securities laws; (ii) common law fraud; (iii) breach of contract; (iv) fraudulent misrepresentation and omission; (v) unsuitability; (vi) breach of fiduciary duty; (vii) failure to supervise; (viii) violation of NYSE Rule 405. Claimants' claim involved shares of Telecom Argentina, La Teko Resources, Motorola, Pacific Century Cyberworks, Elan Corp., Nortel Networks, Ericsson Telephone Company, Vodafone, Radware Ltd., Biopure and IDEC Pharmaceuticals.

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

### **RELIEF REQUESTED**

Claimants requested compensatory damages in the amount of \$100,000.00; interest; lost investment opportunity damages; punitive damages; attorneys' fees; costs; and any other damages the Panel may deem just and fair.

Respondents requested that the Claimants' Statement of Claim be dismissed with prejudice, in its entirety, and that the Arbitrators award Respondents costs and such other relief as they deem just and proper.

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

Respondents did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

Claimants dismissed Respondents John Chatmas and Jack Grubman without prejudice on April 17, 2003 and dismissed Respondent Eric Behr with prejudice on February 25, 2004. Claimants and Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. subsequently entered into a confidential settlement agreement. In connection with that agreement, Respondent Citigroup is dismissed with prejudice.

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**

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of Respondent Citigroup for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Claimants' claims are hereby dismissed in its entirety.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Eric Behr's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Eric Behr must obtain confirmation

from a court of competent jurisdiction before CRD will execute the expungement directive.

3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent John Chatmas' registration records maintained by NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent John Chatmas must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
4. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Jack Grubman's registration records maintained by NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Jack Grubman must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
5. Any and all relief not specifically addressed herein, including punitive damages, is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution, Inc. 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 persons at the time of the events giving rise to the dispute. In this matter, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. is a party.

Member Surcharge	= \$1,100.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$1,700.00</u>
Total Member Fees	= \$3,550.00

#### **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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Forum fees associated with these proceedings are:

One (1) Pre-hearing conference session with the Panel @ \$750.00/session	= \$750.00
Pre-hearing conference: July 21, 2003 1 session	
Total Forum Fees	= \$750.00

1. The Panel has assessed \$375.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$375.00 of the forum fees jointly and severally against Respondents Citigroup and Behr.

#### Fee Summary

1. Claimants are jointly and severally liable for:

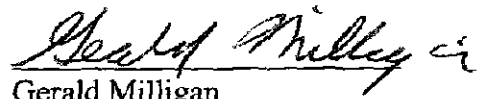
Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 375.00
Total Fees	= \$ 600.00
Less payments	= \$1,800.00
Refund Due to Claimants	= \$1,200.00
2. Respondent Citigroup is solely liable for:

Member Fees	= \$3,550.00
Total Fees	= \$3,550.00
Less payments	= \$4,125.00
Refund Due to Citigroup	= \$ 575.00
3. Respondents Citigroup and Behr are jointly and severally liable for:

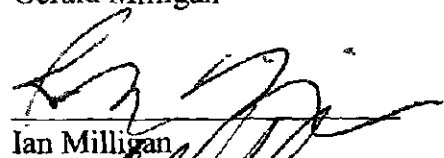
Forum Fees	= \$ 375.00
Total Fees	= \$ 375.00
Less payments	= \$ 375.00
Balance Due NASD Dispute Resolution	= \$ 0.00

All balances are due and payable to NASD Dispute Resolution

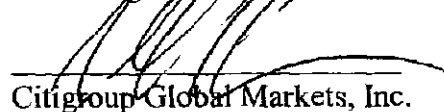
**Parties' Signatures**

  
Gerald Milligan

\_\_\_\_\_  
Date

  
Ian Milligan

\_\_\_\_\_  
Date

  
Citigroup Global Markets, Inc.

\_\_\_\_\_  
Date

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**ARBITRATION PANEL**

Morton S. Bunis, Esq.	-	Public Arbitrator, Presiding Chair
Maria D. Cirillo	-	Public Arbitrator
John A. Falkenberg	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

Morton S. Bunis, Esq.  
Public Arbitrator, Presiding Chair

Signature Date



Maria D. Cirillo  
Public Arbitrator

6/30/04  
Signature Date

John A. Falkenberg  
Non-Public Arbitrator

Signature Date

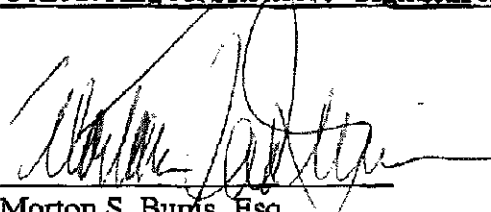
July 9, 2004  
Date of Service (For NASD office use only)

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Morton S. Bunis, Esq.	-	Public Arbitrator, Presiding Chair
Maria D. Cirillo	-	Public Arbitrator
John A. Falkenberg	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

  
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Morton S. Bunis, Esq.  
Public Arbitrator, Presiding Chair

630-04  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Maria D. Cirillo  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
John A. Falkenberg  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

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Morton S. Bunis, Esq.	-	Public Arbitrator, Presiding Chair
Maria D. Cirillo	-	Public Arbitrator
John A. Falkenberg	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

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Morton S. Bunis, Esq.  
Public Arbitrator, Presiding Chair

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Signature Date

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Maria D. Cirillo  
Public Arbitrator


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Signature Date



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John A. Falkenberg  
Non-Public Arbitrator



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Signature Date

06/29/04

July 9, 2004

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Date of Service (For NASD office use only)