

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Names of Claimants

Arthur Schechet, Individually and as
Trustee of The I. Arthur Schechet Trust

and

Case Number: 02-06335
Hearing Site: Southfield, Michigan

Names of Respondents

Citigroup Global Markets, Inc.,
Jessie E. Collins-Rehil and
Andrew M. Beider

NATURE OF DISPUTE

Customers v. Member and Associated Persons

REPRESENTATION OF PARTIES

I. Arthur Schechet, Individually and as Trustee of The I. Arthur Schechet Trust ("Claimants") were represented by Charles M. Penzien, Esq., Mount Clemens, Michigan.

Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup"), Jessie E. Collins-Rehil ("Collins-Rehil") and Andrew M. Beider ("Beider"), hereinafter referred to as "Respondents," were represented by Thomas R. Cox, Esq., Miller, Canfield, Paddock and Stone, P.L.C. as of on or about October 21, 2003. Respondents were represented by Alejandro Schwed, Esq., Citigroup Global Markets, Inc., New York, New York prior to Mr. Cox's appearance.

CASE INFORMATION

The Statement of Claim was filed on or about October 22, 2002. The Submission Agreement of Claimant, I. Arthur Schechet, was signed on or about October 11, 2002. The Submission Agreement of Claimant, The I. Arthur Schechet Trust, was signed on or about October 11, 2002, by I. Arthur Schechet.

Statement of Answer was filed jointly by Respondents Citigroup, Collins-Rehil, and Beider on or about January 28, 2003. The Submission Agreement of Respondent Citigroup Global Markets, Inc. was signed on or about January 28, 2003 by Alejandro Schwed, Sr. Vice President.

CASE SUMMARY

Claimants asserted the following causes of action: suitability, breach of the duty to monitor, breach of fiduciary duty, and breach of the duty of care. The causes of action related to Claimants' allegations that Respondents placed Claimants in securities which were not suitable for their investment objectives. Specifically, Claimants asserted that a large percentage of their portfolios were inappropriately invested in technology and other more speculative equities and that Respondents failed to maintain income producing investments or other more conservative products in Claimants' accounts.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted defenses including the following: Claimants are attempting to avoid their own liability, Claimants did not lose anywhere near the amount they are claiming, and Claimants were always aware of their investments and appeared satisfied until some of the positions declined with the equity markets in 2001.

RELIEF REQUESTED

Claimant requested an award in an amount in excess of \$600,000.00, plus attorneys fees, costs, and any other relief the Panel deems appropriate.

Respondents requested that the claims asserted against them be dismissed in their entirety and that all costs be assessed against the Claimants.

OTHER ISSUES CONSIDERED & DECIDED

Respondents, Jessie E. Collins-Rehil and Andrew M. Beider, did not file with the NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, and appeared and testified at the hearing are bound by the determination of the arbitration panel on all issues submitted.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Respondents, Citigroup Global Markets, Inc., Jessie E. Collins-Rehil and Andrew M. Beider, are jointly and severally liable for and shall pay to Claimant, I. Arthur Schechet, Individually and as Trustee of The I. Arthur Schechet Trust, the sum of \$297,754.00 in compensatory damages;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 3.) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 375.00

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, the member firm is Citigroup Global Markets, Inc.

Member surcharge	= \$ 2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 4,000.00

Adjournment Fees

Adjournments requested during these proceedings:

December 2-5, 2003, adjournment by Respondents (fee waived by Panel) = \$ 1,200.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Three (3) Pre-hearing sessions with Panel x \$1,200.00	= \$ 3,600.00
Pre-hearing conferences: June 12, 2003	1 session
June 13, 2003	1 session
December 2, 2003	1 session
Eight (8) Hearing sessions x \$1,200.00	= \$ 9,600.00
Hearing Dates: March 2, 2004	2 sessions
March 3, 2004	2 sessions
March 4, 2004	2 sessions
March 5, 2004	2 sessions
Total Forum Fees	= \$13,200.00

The Arbitration Panel has assessed \$13,200.00 of the forum fees jointly and severally to Citigroup Global Markets, Inc., Jessie E. Collins-Rehil, and Andrew M. Beider.

Fee Summary

Claimants, I. Arthur Schechet, Individually and as Trustee of The I. Arthur Schechet Trust, are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Total Fees	= \$ 375.00
Less payments	= \$ 1,575.00
Balance Refunded By NASD Dispute Resolution	= \$ 1,200.00

Respondent, Citigroup Global Markets, Inc., is liable for:

Member Fees	= \$ 7,000.00
Total Fees	= \$ 7,000.00
Less payments	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Citigroup Global Markets, Inc., Jessie E. Collins-Rehil, and Andrew M. Beider, are jointly and severally liable for:

Forum Fees	= \$13,200.00
Total Fees	= \$13,200.00
Less payments	= \$ 1,750.00
Balance Due NASD Dispute Resolution	= \$11,450.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Jacqueline R. Fox, Esq. - Public Arbitrator, Presiding Chair
Walter H. Clements, Esq. - Public Arbitrator
Joseph H. Mizzi - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Jacqueline R. Fox, Esq.
Jacqueline R. Fox, Esq.
Public Arbitrator, Presiding Chair

03/09/04
Signature Date

/s/ Walter H. Clements, Esq.
Walter H. Clements, Esq.
Public Arbitrator

03/08/04
Signature Date

/s/ Joseph H. Mizzi
Joseph H. Mizzi
Non-Public Arbitrator

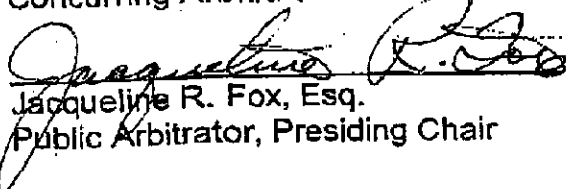
03/08/04
Signature Date

03/09/04
Date of Service (For NASD office use only)

ARBITRATION PANEL

Jacqueline R. Fox, Esq. - Public Arbitrator, Presiding Chair
Walter H. Clements, Esq. - Public Arbitrator
Joseph H. Mizzi - Non-Public Arbitrator

Concurring Arbitrators:


Jacqueline R. Fox, Esq.
Public Arbitrator, Presiding Chair

3/9/09
Signature Date

Walter H. Clements, Esq.
Public Arbitrator

Signature Date

Joseph H. Mizzi
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

03/08/2004 10:45 FAX

NASD Dispute Resolution
Arbitration No. 02-068395
Award Page 5 of 5

ARBITRATION PANEL

Jacqueline R. Fox, Esq. - Public Arbitrator, Presiding Chair
Walter H. Clements, Esq. - Public Arbitrator
Joseph H. Mizzi - Non-Public Arbitrator

Concurring Arbitrators:

Jacqueline R. Fox, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Walter H. Clements, Esq.
Public Arbitrator

Signature Date



Joseph H. Mizzi
Non-Public Arbitrator

3-8-2004

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 02-06385
Award Page 5 of 5

ARBITRATION PANEL

Jacqueline R. Fox, Esq. - Public Arbitrator, Presiding Chair
Walter H. Clements, Esq. - Public Arbitrator
Joseph H. Mizzi - Non-Public Arbitrator

Concurring Arbitrators:

Jacqueline R. Fox, Esq.
Public Arbitrator, Presiding Chair


Walter H. Clements, Esq.
Public Arbitrator

Signature Date

3-8-04
Signature Date

Joseph H. Mizzi
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)