

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Stephen P. Eckert, Diane L. Eckert,
and Stephen P. Eckert as Beneficiary
of the Salomon Smith Barney, Inc. Rollover IRA,
Claimants,

Case Number: 02-06355

v.

Hearing Site: Indianapolis, Indiana

Citigroup Global Markets, Inc. and
Brian Deckard,
Respondents.

Nature of the Dispute: Customer vs. Member and Associated Person

REPRESENTATION OF PARTIES

Stephen P. Eckert, Diane L. Eckert, and Stephen P. Eckert as Beneficiary of the Salomon Smith Barney, Inc. Rollover IRA, (the "Eckerts") hereinafter collectively referred to as "Claimants": Jeffrey B. Bailey, Esq., Jeffrey R. Gaither, Esq. and Michael A. Dorelli, Esq. of Leagre Chandler & Millard, LLP, located in Indianapolis, Indiana. Claimants were later represented by Jeffrey B. Bailey, Esq. (formerly of Leagre Chandler & Millard, LLP), Judy L. Woods, Esq. and Theresa M. Ringle, Esq. of Bose McKinney & Evans, LLP in Indianapolis, Indiana.

Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. ("Citigroup") and Brian Deckard ("Deckard"), hereinafter collectively referred to as "Respondents": Jerry Santangelo, Esq. and August H. Schupp, Esq. of Neal, Gerber & Eisenberg, located in Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on or about October 23, 2002. The Uniform Submission Agreement was jointly signed by the Eckerts on October 11, 2002.

Statement of Answer filed by Respondents, Citigroup and Deckard, on or about January 24, 2003. The Uniform Submission Agreement was signed by Citigroup on January 21, 2003. The Uniform Submission Agreement was signed by Deckard on January 22, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: negligence, failure to supervise, breach of fiduciary duty and common law Respondeat Superior. The causes of action relate to investments in high-risk technology stocks, including Global Crossing Ltd., MCI

Worldcom Inc. and McLeodUSA, Inc. to cover margin calls, which Claimants asserted were unsuitable recommendations and did not meet their financial objectives.

Unless specifically admitted in their Answer, Respondents, Citigroup and Deckard, denied the allegations made in the Statement of Claim and asserted various affirmative defenses:

1. The Statement of Claim fails to state a claim upon which relief may be granted;
2. To the extent that Claimants did suffer any of the damages alleged in the Statement of Claim, such damages were not proximately caused by any act, representation or omission of Respondents;
3. Claimants' claims are barred by the applicable statute of limitations;
4. To the extent that Claimants did suffer any of the damages alleged in the Statement of Claim, Claimants failed to take reasonable steps to mitigate or avoid those damages;
5. Claimants are legally and equitably estopped from asserting their claims;
6. Claimants' claims are barred under the doctrines of waiver and/or ratification; and
7. Claimants cannot recover attorney's fees and/or punitive damages under applicable law.

RELIEF REQUESTED

Claimants requested \$1.2 million in compensatory damages, punitive damages, 8% interest, costs and attorney's fees, and for other just and proper relief.

Respondents, Citigroup and Deckard, requested the Claimants' claims be dismissed in their entirety, for such further relief as the Panel deems appropriate, including attorney's fees and costs.

OTHER ISSUES CONSIDERED AND DECIDED

On June 26, 2006, Jeffrey B. Bailey, Esq. Judy L. Woods, Esq. and Theresa M. Ringle, Esq. of Bose McKinney & Evans, LLP, withdrew their appearance as counsel for Claimants.

In an Order dated July 21, 2006, pursuant to Claimants' request for adjournment of the hearing scheduled on August 9–11, 2006, the Panel issued the following decision:

The Panel considered the Claimants' request to adjourn and decided to deny the request. Instead, the Panel has decided to dismiss the case without prejudice to the Claimant filing a new arbitration. In arriving at its decision, the Panel considered the following:

1. This is the third or fourth request for adjournment consented to by all parties.
2. The case was originally filed in 2002.
3. It will no doubt be some time before Claimants will be able to locate new counsel and that person becomes familiar with the case.
4. The claim will need to be amended because of the Claimants' participating in a class action suit.

AWARD

After considering the pleadings, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Any and all claims asserted by Claimants, Stephen P. Eckert, Diane L. Eckert, and Stephen P. Eckert as Beneficiary of the Salomon Smith Barney, Inc. Rollover IRA, against Respondents, Salomon Smith Barney, Inc., n/k/a/ Citigroup Global Markets, Inc. and Brian Deckard, are dismissed without prejudice.
2. Except as otherwise specified herein, parties shall bear their own costs, including attorneys' fees.
3. Any and all relief not specifically addressed herein, including punitive damages, are denied.

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	= \$ 500.00
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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 person at the time of the events giving rise to the dispute. Accordingly, Citigroup Global Markets, Inc. is a party to this proceeding and is assessed the following:

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

October 11-15, 2004, adjournment by both parties	= \$1,200.00
July 12-14, 2005, adjournment by both parties	= \$1,500.00
June 27-30, 2006, adjournment by Citigroup Global Markets, Inc.	= \$1,200.00
(waived by the Panel)	

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, which lasts four (4) hours or less. Fees associated with these proceedings are:

Four (4) Pre-hearing sessions with Panel @ \$1,200.00	= \$4,800.00
Pre-hearing conferences:	
July 11, 2003	1 session
July 26, 2005	1 session
September 6, 2005	1 session
June 14, 2006	1 session
<hr/> Total Forum Fees	<hr/> = \$4,800.00

1. The Panel has assessed \$3,000.00 of the forum fees jointly to Claimants, Stephen P. Eckert and Diane L. Eckert, which includes assessment for the pre-hearing conference held on September 6, 2005.
2. The Panel has assessed forum fees jointly and severally to Respondents, Citigroup Global and Deckard, in the amount of \$1,800.00.

Fee Summary

1. Claimants, Stephen P. Eckert, Diane L. Eckert, and Stephen P. Eckert as Beneficiary of the Salomon Smith Barney, Inc. Rollover IRA, are jointly liable for:

Initial Filing Fee	= \$ 500.00
Adjournment Fee	= \$1,350.00
Forum Fees	= \$3,000.00
<hr/> Total Fees	<hr/> = \$4,850.00
<u>Less payments</u>	<u>= \$2,000.00</u>
Balance Due NASD Dispute Resolution	= \$2,850.00

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

Member Fees	= \$8,500.00
<u>Less payments</u>	<u>= \$8,550.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents, Citigroup Global Markets, Inc. and Brian Deckard, are jointly and severally liable for:

Adjournment Fee	= \$1,350.00
Forum Fees	= \$1,800.00
<hr/> Total Fees	<hr/> = \$3,150.00
<u>Less payments</u>	<u>= \$1,350.00</u>
Balance Due NASD Dispute Resolution	= \$1,800.00

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

ARBITRATION PANEL

Richard H. Potter	-	Public Arbitrator, Presiding Chairperson
Sharon B. Merriman, Esq.	-	Public Arbitrator
Marilyn R. Rathbun	-	Non-Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this is which is my award.

Concurring Arbitrators' Signatures

/s/ Richard H. Potter
Richard H. Potter
Public Arbitrator, Presiding Chairperson

8/10/06
Signature Date

/s/ Sharon B. Merriman, Esq.
Sharon B. Merriman, Esq.
Public Arbitrator

8/11/06
Signature Date

/s/ Marilyn R. Rathbun
Marilyn R. Rathbun
Non-Public Arbitrator

9/12/06
Signature Date

8/14/06
Date of Service (For NASD Dispute Resolution use only)

NASD Dispute Resolution
Arbitration No. 02-06365
Award Page 5 of 5

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this is which is my award.

Concurring Arbitrators' Signatures



Richard H. Potter
Public Arbitrator, Presiding Chairperson

8.10.06
Signature Date

Sharon B. Merriman, Esq.
Public Arbitrator

Signature Date

Marilyn R. Rathbun
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)

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Richard H. Potter
Public Arbitrator, Presiding Chairperson

Signature Date


Sharon B. Merriman, Esq.
Public Arbitrator

8/11/06
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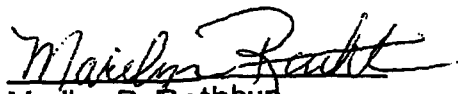
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/s/ Richard H. Potter
Richard H. Potter
Public Arbitrator, Presiding Chairperson

8/10/06
Signature Date

/s/ Sharon B. Merriman, Esq.
Sharon B. Merriman, Esq.
Public Arbitrator

8/11/06
Signature Date


Marilyn R. Rathbun
Non-Public Arbitrator

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