

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Jean-Claude Kaufmann, Christine C. Kaufmann, Christine C. Kaufmann ACF Nicholas Kaufmann, Christine C. Kaufmann ACF Sarah Kaufmann, and Marguerite Kaufmann (Claimants) v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and Jerrold P. Tepper (Respondents)

Case Number: 02-07030

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimants Jean-Claude Kaufmann ("J. Kaufmann"), Christine C. Kaufmann ("C. Kaufmann"), Christine C. Kaufmann ACF Nicholas Kaufmann ("C. Kaufmann ACF N. Kaufmann"), Christine C. Kaufmann ACF Sarah Kaufmann ("C. Kaufmann ACF S. Kaufmann"), and Marguerite Kaufmann ("M. Kaufmann") hereinafter collectively referred to as "Claimants": Jeffrey W. Herrmann, Esq., Cohn, Liffand, Pearlman, Herrmann & Knopf, LLP, Saddle Brook, NJ.

Respondents Citigroup Global Markets, Inc. ("Citigroup") and Jerrold P. Tepper ("Tepper") hereinafter collectively referred to as "Respondents": Sean J. Coughlin, Esq., Citigroup Global Markets, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: November 18, 2002.

Claimants J. Kaufmann, C. Kaufmann, and M. Kaufmann signed the Uniform Submission Agreement: November 8, 2002.

Claimant C. Kaufmann ACF N. Kaufmann signed the Uniform Submission Agreement: December 3, 2002.

Claimant C. Kaufmann ACF S. Kaufmann signed the Uniform Submission Agreement: December 3, 2002.

Statement of Answer filed by Respondents on or about: February 25, 2003.

Respondent Citigroup did not sign the Uniform Submission Agreement.

Respondent Tepper did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: failure to properly manage accounts in light of changed circumstances; failure to diversify; unsuitability; inappropriate management of

accounts; respondeat superior; and acts and omissions. The causes of action relate to unspecified securities.

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 \$1,081,965.00; interest; attorneys' fees; and costs.

Respondents requested that Claimants' Statement of Claim be dismissed in its entirety; costs and expenses, including forum fees and all other costs of this proceeding; and a direction from the Arbitrators that the Central Registration Depository ("CRD") records of Respondent Tepper be expunged with respect to Claimants' claims.

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.

By letter dated June 21, 2004, Claimants notified NASD Dispute Resolution that they dismissed their claims with prejudice against Respondent Tepper.

Prior to the hearing the parties settled this matter. As part of settlement negotiations, Respondent Tepper was dismissed with prejudice. Therefore, the parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

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 both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. The listed parties have amenablely resolved their differences and have requested this Stipulated Award.
2. The claims of Claimants are dismissed in their entirety.

3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Jerrold P. Tepper'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 Jerrold P. Tepper must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
4. The parties shall bear their respective costs, including attorneys' fees.
5. Any and all relief not specifically addressed herein is 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

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. is a party.

Member Surcharge	= \$2,800.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$5,000.00</u>
Total Member Fees	= \$8,550.00

Adjournment Fees

The following adjournment fees are assessed:

June 21-24, 2004 joint adjournment request	= \$1,200.00
Claimants' share	= \$600.00
Respondents' share	= \$600.00

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 @ \$1,200.00/session	= \$1,200.00
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Pre-hearing conference: September 3, 2003 1 session
Total Forum Fees = \$1,200.00

1. The Panel has assessed \$600.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$600.00 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Adjournment Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$ 1,200.00</u>
Total Fees	= \$ 2,300.00
<u>Less payments</u>	<u>= \$ 2,300.00</u>
Balance Due NASD Dispute Resolution	= \$ 00.00

Pursuant to Rule 10332(f) of the Code of Arbitration Procedure, NASD is retaining the total amount of the hearing session deposited by the Claimants because this office was notified by the parties that they settled within eight business days of the first scheduled hearing session.

2. Respondent Citigroup is solely liable for:

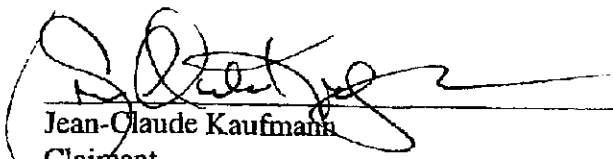
<u>Member Fees</u>	<u>= \$8,550.00</u>
Total Fees	= \$8,550.00
<u>Less payments</u>	<u>= \$8,700.00</u>
Refund Due Citigroup	= \$ 150.00

3. Respondents are jointly and severally liable for:


Adjournment Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$ 600.00</u>
Total Fees	= \$1,200.00
<u>Less payments</u>	<u>= \$1,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

All balances are due and payable to NASD Dispute Resolution


Parties' Signatures

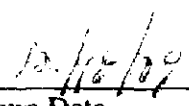

Jean-Claude Kaufmann
Claimant

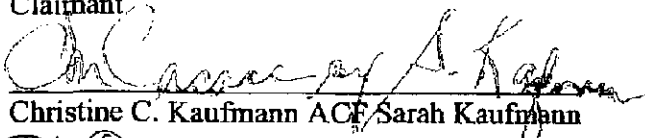

Signature Date


Christine C. Kaufmann
Claimant


Signature Date

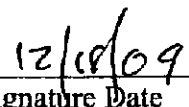

Christine C. Kaufmann ACF Nicholas Kaufmann
Claimant


Signature Date

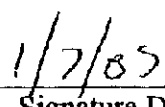

Christine C. Kaufmann ACF Sarah Kaufmann
Claimant


Signature Date

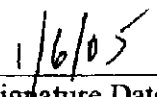

Marguerite Kaufmann
Claimant


Signature Date


Citigroup Global Markets Inc.
By: Sean J. Coughlin


Signature Date


Jerrold Tepper


Signature Date

ARBITRATION PANEL

Walter M. Schackman, Esq.	-	Public Arbitrator, Presiding Chair
Wayne P. Greene, Esq.	-	Public Arbitrator
John Cirrito	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

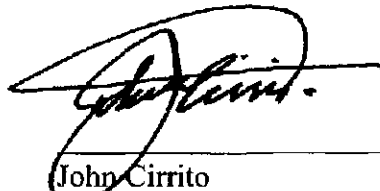
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument is which is my award.

Walter M. Schackman, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Wayne P. Greene, Esq.
Public Arbitrator

Signature Date



John Cirrito

Non-Public Arbitrator

1-29-05

Signature Date

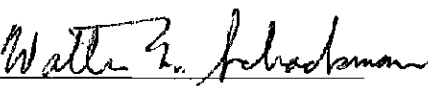
February 18, 2005
Date of Service (For NASD office use only)

ARBITRATION PANEL

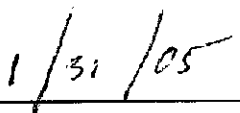
Walter M. Schackman, Esq.	-	Public Arbitrator, Presiding Chair
Wayne P. Greene, Esq.	-	Public Arbitrator
John Cirrito	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

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Walter M. Schackman, Esq.
Public Arbitrator, Presiding Chair



Signature Date

Wayne P. Greene, Esq.
Public Arbitrator

Signature Date

John Cirrito
Non-Public Arbitrator

Signature Date

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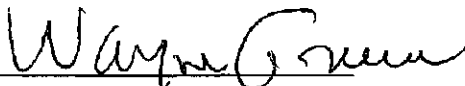
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John Cirrito	-	Non-Public Arbitrator

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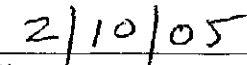
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Walter M. Schackman, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Wayne P. Greene, Esq.
Public Arbitrator



Signature Date

John Cirrito
Non-Public Arbitrator

Signature Date

February 18, 2005
Date of Service (For NASD office use only)