

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Laurie Hillebrand and Thomas A. Hillebrand, and Thomas A. Hillebrand as Trustee of the Thomas A. Hillebrand Profit Sharing Plan and Trust (Claimants) v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and Gerald P. Santenello (Respondents)

Case Number: 02-07473

Hearing Site: Boston, Massachusetts

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

REPRESENTATION OF PARTIES

Claimants Laurie Hillebrand and Thomas A. Hillebrand ("The Hillebrands"), Thomas A. Hillebrand ("T. Hillebrand") and Thomas A. Hillebrand as Trustee of the Thomas A. Hillebrand Profit Sharing Plan and Trust ("Profit Sharing Plan") hereinafter collectively referred to as "Claimants": W. Wright Danenbarger, Esq., Wiggin & Nourie, P.A., Manchester, NH.

Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Gerald P. Santenello ("Santennello") hereinafter collectively referred to as "Respondents": Hugo Hilgendorff, IV, Esq., Bressler, Amery & Ross, P.C., Morristown, NJ. and Ellen Slipp, Esq., Citigroup Global Markets, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: December 6, 2002.

Amended Statement of Claim filed on or about: July 14, 2003.

Claimant Profit Sharing Plan, Thomas A. Hillebrand, Trustee signed the Uniform Submission Agreement: November 25, 2002.

Claimant Laurie Hillebrand signed the Uniform Submission Agreement: November 28, 2002.

Claimant Thomas A. Hillebrand signed the Uniform Submission Agreement: November 25, 2002.

Joint Statement of Answer filed by Respondents on or about: February 20, 2003.

Respondent Citigroup signed the Uniform Submission Agreement.

Respondent Santenello signed the Uniform Submission Agreement.

CASE SUMMARY

In their Statement of Claim and Amended Statement of Claim, Claimants asserted the following causes of action: suitability; common law fraud and deceit; breach of fiduciary duties; professional negligence; negligent supervision and control liability; violation of federal securities laws; NASD Rules of Conduct; NYSE Rules, NH securities laws, the N.H. Unfair Trade Practices Act; Vermont securities laws; and Vermont Consumer Protection Laws. Claimants' claim involved shares of AT&T, Worldcom, and Global Crossing as well as other unspecified securities.

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

RELIEF REQUESTED

In their Statement of Claim and Amended Statement of Claim, Claimants requested compensatory damages in the amount of \$624,000.00; punitive damages in the amount of \$2,376,000.00; pre-judgment interest under N.H. R.S.A. 524:1-a; costs; attorneys' fees; and other costs incurred in connection with this matter.

Respondents requested that Claimants' claims be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents made a Motion in Limine to Exclude Introduction of Videotapes and Advertising Material; Claimants submitted an Objection to the Motion. After due consideration, the Panel denied the Motion.

Respondents made a Motion in Limine to Exclude Spitzer Report and News Articles and Interviews in Media; Claimants submitted an Objection to the Motion. After due consideration, the Panel denied the Motion.

Respondents made a Motion for Sanctions; Claimants submitted an Objection to the Motion. After due consideration, the Panel denied the Motion.

Respondents made a Motion to Dismiss: 1) all counts against Respondents; 2) all counts against Respondent Santenello; 3) all claims for rescissory damages. After due consideration, the Panel denied the Motion.

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.

AWARD

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

1. Claimants' claims against Respondents are dismissed in their entirety.
2. 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 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. f/k/a Salomon Smith Barney, Inc. is a party.

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

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$ 900.00
Pre-hearing conferences: December 1, 2003 1 session	
February 24, 2004 1 session	

One (1) Pre-hearing session with Panel @ \$1,200.00	= \$ 1,200.00
Pre-hearing conference: July 2, 2003 1 session	

Fourteen (14) Hearing sessions @ \$1,200.00	= \$16,800.00
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Hearing Dates:	February 3, 2004	1 session	
	March 29, 2004	2 sessions	
	March 30, 2004	2 sessions	
	March 31, 2004	2 sessions	
	April 1, 2004	2 sessions	
	July 7, 2004	2 sessions	
	July 8, 2004	2 sessions	
	July 9, 2004	1 session	
<hr/> Total Forum Fees			= \$18,900.00

1. The Panel has assessed \$9,450.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$9,450.00 of the forum fees jointly and severally against Respondents.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. Respondents requested duplication of hearing tapes = \$150.00

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$9,450.00
Total Fees	= \$9,950.00
Less payments	= \$1,800.00
Balance Due NASD Dispute Resolution	= \$8,150.00
2. Respondent Citigroup is solely liable for:

Member Fees	= \$8,550.00
Total Fees	= \$8,550.00
Less payments	= \$8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00
3. Respondents are jointly and severally liable for:

Forum Fees	= \$9,450.00
Administrative Costs	= \$ 150.00
Total Fees	= \$9,600.00
Less payments	= \$ 750.00
Balance Due NASD Dispute Resolution	= \$8,850.00

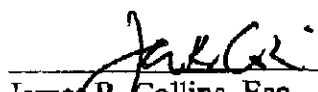
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

James R. Collins, Esq.	-	Public Arbitrator, Presiding Chairperson
Mary C. Kelleher	-	Public Arbitrator
William J. Driscoll	-	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 in which is my award.



James R. Collins, Esq.
Public Arbitrator, Presiding Chairperson

7/15/04

Signature Date

Mary C. Kelleher
Public Arbitrator

Signature Date

William J. Driscoll
Non-Public Arbitrator

Signature Date

July 28, 2004

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL


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James R. Collins, Esq.
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Signature Date



Mary C. Kelleher
Public Arbitrator



Signature Date

William J. Driscoll
Non-Public Arbitrator

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July 28, 2004

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Public Arbitrator

Signature Date

William J. Driscoll

William J. Driscoll
Non-Public Arbitrator

7/19/04

Signature Date

July 28, 2004
Date of Service (For NASD Dispute Resolution use only)