

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Names of the Claimants

Michael and Hilda Lathrop

and

Case Number: 02-07880

Hearing Location: Houston, Texas

Names of the Respondents

Prudential Equity Group, LLC,
Raymond F. Westegrove and
Harmon S. Dickson, Jr.

Consolidated with:

Names of Claimants

Michael and Hilda Lathrop

and

Case Number: 02-07881

Hearing Location: Houston, Texas

Names of Respondents

Citigroup Global Markets, Inc.,
Raymond F. Westegrove and Tullis C. Thomas, II

NATURE OF DISPUTE

Customers vs. Member Firms and Associated Persons

REPRESENTATION OF THE PARTIES

Michael Lathrop and Hilda Lathrop ("Claimants") were represented by Michael C. Falick, Esq., Rothfelder & Falick, LLP, Houston, Texas. On or about November 30, 2004, Claimants terminated their relationship with attorney, Michael C. Falick, Esq. On or about February 28, 2005, Michael B. Schmidt, made his appearance on the prehearing conference call with the Panel on behalf of Claimants.

Prudential Equity Group, LLC, f/k/a Prudential Securities Incorporated ("Prudential"), and Harmon S. Dickson, Jr., ("Dickson") were represented by Retta A. Miller, Esq., Jackson Walker LLP, Dallas, Texas.

Raymond F. Wetegrove ("Wetegrove") was represented by Leslie Garcia Ashby, Esq., Ashby & Whitmire, LLP, Houston, Texas. On or about December 22, 2004, Raymond F. Wetegrove's counsel withdrew representation and he appeared pro se.

Citigroup Global Markets, Inc. ("Citigroup") and Tullis C. Thomas, II ("Thomas") were represented by Dulcie Green Wink, Esq., Haynes and Boone, LLP, Houston, Texas.

CASE INFORMATION

02-07880:

The Statement of Claim was filed on or about December 31, 2002. Claimants signed the Uniform Submission Agreement on or about October 14, 2002.

The Statement of Answer was filed jointly by Respondents, Prudential and Dickson, on or about March 25, 2003. Respondents, Prudential and Dickson, signed the Uniform Submission Agreement on or about March 25, 2003.

The Statement of Answer was filed by Respondent Westgrove on or about April 23, 2003.

On or about November 24, 2003, Respondent Westgrove filed a Motion to Consolidate Cases 02-07880 and 02-07881. Respondents, Citigroup and Thomas, filed their Response to the Motion to Consolidate on or about December 11, 2003. On or about December 12, 2003, Claimants filed their Response to Westgrove's Motion to Consolidate. On or about December 18, 2003, Westgrove filed his Reply his Motion.

On or about August 4, 2004, Respondents Citigroup and Thomas filed their Motion to Dismiss. On or about October 22, 2004, Respondents, Prudential Equity Group and Dickson filed their Motion to Dismiss. On or about November 11, 2004, Respondent Westgrove filed a Motion to Dismiss. Claimants' counsel did not file responses to the various Motions to Dismiss.

02-07881:

The Statement of Claim was filed on or about December 31, 2002. Claimants signed the Uniform Submission Agreement on or about December 14, 2002.

The Statement of Answer was filed jointly by Respondents, Citigroup, Westgrove and Thomas, on or about March 26, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: violations of the Texas Deceptive Trade Practices Act, Texas Securities Act Ann. Art. 581-33A(2), Section 12 of the 1933 Securities Act, Section 10b of the 1934 Securities Act, common law fraud, breach of fiduciary duty, breach of duty of good faith and fair dealing, gross negligence, negligence, churning, failure to supervise, unauthorized trading, and unsuitability. The claims related to the recommendation and purchase of various unspecified securities.

Unless specifically admitted in their Answers, Respondents denied the allegations in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim failed to state a claim upon which relief may be granted; Claimants directed, approved, and authorized each and every transaction in their accounts; Claimants ratified each and every transaction in their accounts; the Statement of Claim is barred by the doctrines of laches, waiver,

and estoppel; all transactions recommended to and made for or on behalf of Claimants were suitable for and in accordance with their investment objectives and financial condition; there was no fiduciary duty owed to Claimants by Respondents as a matter of law, or under the circumstances of this case; there were no misrepresentations or omissions of material fact upon which the Claimants relied to their detriment; Claimants knew and were aware of the risks associated with their investments, and voluntarily chose to assume those risks; Respondents discharged their responsibilities in a professional and ethical manner and all of their actions were well within the parameters of accepted brokerage procedures and all exchange and governmental regulations.

RELIEF REQUESTED

02-07880:

Claimants requested an Award in the amount of:

Actual/Compensatory Damages	\$6,000,000.00
Punitive/Exemplary Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

02-07881:

Claimants requested an Award in the amount of:

Actual/Compensatory Damages	\$1,300,000.00
Punitive/Exemplary Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded costs and that these claims be expunged from the CRD records of Respondents, Harmon S. Dickson, Jr. and Raymond F. Wetegrove.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents, Citigroup, Westegrove and Thomas, 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, appeared and testified at the prehearings are bound by the determination of the arbitration panel on all issues submitted.

On or about December 19, 2003, the Panel granted the Respondents' Motion to Consolidate Cases 02-07880 and 02-07881.

On or about August 20, 2004, Claimants dismissed their claims against Respondents, Citigroup Global Markets, Inc. and Tullis C. Thomas, II, in their entirety.

On or about February 28, 2005, Michael B. Schmidt, Trustee of the bankruptcy estate, made his appearance on the prehearing conference call with the Panel. Mr. Schmidt stated on this call that Claimants filed for bankruptcy on January 12, 2005. NASD has not been supplied with a letter to this effect. Mr. Schmidt stated that he had been appointed by the bankruptcy court to oversee the settlement of this case.

On or about June 30, 2005, the parties received approval from the bankruptcy court for the trustee to dismiss the arbitration proceeding. Prudential's counsel circulated a stipulated order to the other parties in this case for comment.

On or about September 9, 2005, Prudential's counsel submitted to NASD a draft Stipulated Award, which was agreed to by all parties in this case.

The parties have informed NASD Dispute Resolution that they have entered into a confidential agreement pursuant to which the parties stipulated to dismiss this proceeding with prejudice and to jointly request that all references to this proceeding be expunged from the registration records of Respondents, Harmon S. Dickson, Jr. and Raymond F. Westgrove. This agreement has been approved by the Bankruptcy Court of the Southern District of Texas, Corpus Christi Division.

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 parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators orders as follows:

- 1.) Claimants' claims, each and all, are dismissed with prejudice;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter. Any fees assessed against Claimants shall be treated as general unsecured claims in the bankruptcy case.;
- 3.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondents, Raymond F. Westgrove's and Harmon S. Dickson, Jr.'s, registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to

Members 99-09, Respondents, Raymond F. Westgrove and Harmon S. Dickson, Jr., must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and

- 4.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee (02-07880)	= \$ 600.00
Initial claim filing fee (02-07881)	= \$ 500.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firms are Prudential Equity Group, LLC and Citigroup Global Markets, Inc.

Prudential Equity Group, LLC (02-07880)

Member surcharge	= \$ 3,350.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,500.00

Citigroup Global Markets, Inc. (02-07881)

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

Adjournment Fees

Adjournments granted during these proceedings:

March 2-4, 2004, adjournment requested by Claimants (fee waived by the Panel)	= \$ 1,200.00
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November 30-December 3, 2004, adjournment requested by Respondents = \$ 1,200.00
(fee waived by the Panel)

Forum Fees and Assessments

02-07880:

The Arbitration 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. Fees associated with these proceedings are:

Five (5) Pre-hearing sessions with Panel x \$1,200.00	= \$ 6,000.00
Pre-hearing conferences:	
July 28, 2003	1 session
November 30, 2004	1 session
February 11, 2005	1 session
February 28, 2005	1 session
April 12, 2005	1 session
<hr/> Total Forum Fees	<hr/> = \$ 6,000.00

The Arbitration Panel has assessed \$4,800.00 of the forum fees jointly and severally to Michael and Hilda Lathrop.

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Prudential Equity Group LLC, Raymond F. Westegrove and Harmon S. Dickson, Jr.

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Citigroup Global Markets, Inc., Prudential Equity Group LLC, Raymond F. Westegrove and Harmon S. Dickson, Jr. and Tullis C. Thomas, II

02-07881:

The Arbitration 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. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference:	
November 10, 2003	1 session
 One (1) Pre-hearing session with Panel x \$1,200.00	 = \$ 1,200.00
Pre-hearing conference:	
August 18, 2003	1 session
<hr/> Total Forum Fees	<hr/> = \$ 1,650.00

The Arbitration Panel has assessed \$825.00 of the forum fees to Michael and Hilda Lathrop.

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The Arbitration Panel has assessed \$825.00 of the forum fees jointly and severally to Citigroup Global Markets, Inc., Raymond F. Westegrove and Tullis C. Thomas, II.

Fee Summary

02-07880:

Claimants, Michael and Hilda Lathrop, are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
<u>Forum Fees</u>	= \$ 4,800.00
Total Fees	= \$ 5,400.00
<u>Less payments</u>	= \$ 2,575.00
Balance Due NASD Dispute Resolution	= \$ 2,825.00

Respondent, Prudential Equity Group, LLC, is liable for:

<u>Member Fees</u>	= \$ 9,600.00
Total Fees	= \$ 9,600.00
<u>Less payments</u>	= \$ 9,600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Prudential Equity Group LLC, Raymond F. Westegrove and Harmon S. Dickson, Jr., are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 600.00
Total Fees	= \$ 600.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 600.00

Respondents, Citigroup Global Markets, Inc., Prudential Equity Group LLC, Raymond F. Westegrove and Harmon S. Dickson, Jr. and Tullis C. Thomas, II, are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 600.00
Total Fees	= \$ 600.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 600.00

02-07881:

Claimants, Michael and Hilda Lathrop, are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	= \$ 825.00
Total Fees	= \$ 1,325.00
<u>Less payments</u>	= \$ 1,325.00

Balance Due NASD Dispute Resolution = \$ 0.00

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

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

Respondents, Citigroup Global Markets, Inc., Raymond F. Westegrove and Tullis C. Thomas, II, are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 825.00
<u>Total Fees</u>	= \$ 825.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 825.00

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

ARBITRATION PANEL

L.E. Machin - Public Arbitrator, Presiding Chair
Michael E. McGown, Esq. - Public Arbitrator
Gregory E. Muenster - Non-Public Arbitrator

Concurring Arbitrators:

/s/ L.E. Machin
L.E. Machin
Public Arbitrator, Presiding Chair

February 9, 2006
Signature Date

Michael E. McGown, Esq.
Public Arbitrator

Signature Date

/s/ Gregory E. Muenster
Gregory E. Muenster
Non-Public Arbitrator

February 9, 2006
Signature Date

February 10, 2006
Date of Service (For NASD office use only)

Balance Due NASD Dispute Resolution = \$ 0.00

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

Member Fees	= \$ 8,550.00
Total Fees	= \$ 8,550.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Citigroup Global Markets, Inc., Raymond P. Westogrove and Tullis C. Thomas, II, are jointly and severally liable for:

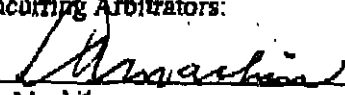
Forum Fees	= \$ 825.00
Total Fees	= \$ 825.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 825.00

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L.E. Machin - Public Arbitrator, Presiding Chair
Michael E. McGown, Esq. - Public Arbitrator
Gregory E. Muenster - Non-Public Arbitrator

Concurring Arbitrators:


L.E. Machin
Public Arbitrator, Presiding Chair


Signature Date

Michael E. McGown, Esq.
Public Arbitrator

Signature Date

Gregory E. Muenster
Non-Public Arbitrator

Signature Date

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Arbitration No. 02-07880 (consol. w. 02-07881)
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Balance Due NASD Dispute Resolution = \$ 0.00

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

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

Respondents, Citigroup Global Markets, Inc., Raymond F. Westegrove and Tullis C. Thomas, II, are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 825.00
<u>Total Fees</u>	= \$ 825.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 825.00

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Michael E. McGown, Esq. - Public Arbitrator
Gregory E. Muenster - Non-Public Arbitrator

Concurring Arbitrators:

L.E. Machin
Public Arbitrator, Presiding Chair

Signature Date

Michael E. McGown, Esq.
Public Arbitrator

Signature Date



Gregory E. Muenster
Non-Public Arbitrator

9 - Feb - 06

Signature Date

Date of Service (For NASD office use only)