
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Cross Offshore, L.L.C.

Case Number: 03-00625

Names of the Respondents
Citigroup Global Markets, Inc.
f/k/a Salomon Smith Barney, Inc.
Amos Keith Katz

Hearing Site: New Orleans, Louisiana

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

REPRESENTATION OF PARTIES

For Cross Offshore, L.L.C. ("Cross Offshore"), hereinafter referred to as "Claimant": Bruce W. Schewe, Esq., Phelps Dunbar, L.L.P., New Orleans, Louisiana.

For Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Respondent Citigroup") and Amos Keith Katz ("Respondent Katz"), hereinafter collectively referred to as "Respondents": Thomas A. Roberts, Esq., McGlinchey Stafford, PLLC, New Orleans, Louisiana.

CASE INFORMATION

Statement of Claim filed on or about: January 27, 2003.

Claimant signed the Uniform Submission Agreement: January 24, 2003.

Statement of Answer filed by Respondents on or about: May 6, 2003.

Respondents Citigroup and Katz did not file executed Uniform Submission Agreements.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract; breach of fiduciary duties; violations of Rule 405 of the New York Stock Exchange; misrepresentation; detrimental reliance; violations of La. R.S. 51:712 of Louisiana's Blue Sky Law; violations of Rule 2310 of NASD Rules; and, unsuitability. The causes of action relate to Claimant's Capital Construction Fund Agreement ("CFA") with the Maritime Administration of the United States Department of Transportation ("MARAD") and the purchases, of among other things, Polaroid, Saks, Pep Boys, Telecommunication, Inc., Conesco, Inc., WorldCom, Inc., and MCI Communication Corp. bonds in Claimant's account.

Unless specifically admitted in their Answer, Respondents Citigroup and Katz denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant's Statement of Claim fails to state a claim upon which relief may be granted; the damages for which Claimant seeks to hold Respondents liable resulted in whole or in part from Claimant's own acts or omissions, and Respondents are not responsible or liable to Claimant for its acts or omissions; the damages for which Claimant seeks to hold Respondents liable were proximately caused by Claimant's failure to mitigate damages; the damages for which Claimant seeks to hold Respondents liable resulted in whole or in part from acts or omission of third parties, and Respondents are not responsible for or liable to Claimant for acts or omissions by these third parties; Claimant, by its conduct, approved, authorized, and/or ratified Respondents' actions; there is no private right of action for a violation of the NASD Rules; doctrines of waiver and estoppel bar Claimant's recovery; Claimant failed to use the requisite due diligence in monitoring, trading, managing and handling of their accounts; Claimant voluntarily assumed the risk of investing and is precluded from recovery herein; and, there is no contractual or statutory basis for the recovery of attorneys' fees.

RELIEF REQUESTED

Claimant requested unspecified compensatory damages; unspecified punitive damages; costs; expenses; attorneys' fees; and all other general and equitable relief that the facts warrant.

Respondents requested that Claimant's claims be dismissed and that they be awarded their costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Citigroup and Katz did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim and filed with NASD Dispute Resolution ("NASD") an Unopposed Motion to Expunge, are bound by the determination of the Panel on all issues submitted.

On or about June 3, 2005, Claimant notified NASD that the parties had settled this matter.

On or about May 4, 2005, Respondents filed with NASD an Unopposed Motion to Expunge. On or about June 8, 2005, the Panel issued an Order that the parties submit mutually agreeable dates for a telephonic conference regarding the Unopposed Motion to Expunge. On June 29, 2005, the Panel conducted a telephonic conference with the parties to consider the motion. Subsequently, on June 29, 2005, the Panel issued an Order granting the Unopposed Motion to Expunge.

On or about July 28, 2005, Respondents filed with NASD a proposed Award, to which Claimant has no objections.

AWARD

After considering the pleadings, the arguments presented at the telephonic conference and the proposed Unopposed Motion to Expunge, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Katz's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Katz must obtain confirmation from a court of competent jurisdiction before the NASD CRD will execute the expungement directive.

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 = \$ 250.00

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 person at the time of the events giving rise to the dispute. Accordingly, Respondent Citigroup is a member firm and a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,200.00</u>
Total Member Fees	= \$4,450.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

November 8-11, 2004, adjournment requested by Respondents. = \$1,000.00

The Panel assessed adjournment fees of \$500.00 to Claimant.

The Panel assessed adjournment fees of \$500.00 to Respondents, jointly and severally.

March 8-10, 2005, adjournment requested by Respondents. = \$1,500.00

The Panel has assessed adjournment fees of \$1,500.00 to Respondents, jointly and severally, pursuant to the parties' agreement.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

The Panel has assessed a three-day cancellation fee of \$150.00 to Claimant.

The Panel has assessed a three-day cancellation fee of \$150.00 to Respondents, jointly and severally.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional

arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

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 the Panel @ \$1,000.00/session	= \$2,000.00
Pre-hearing conferences: September 26, 2003 1 session	
June 29, 2005 1 session	

Total Forum Fees	= \$2,000.00
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The Panel assessed forum fees in the total amount of \$1,000.00 for the pre-hearing conference held on September 23, 2003, as follows: \$500.00 to Claimant and \$500.00 to Respondents, jointly and severally.

Pursuant to the parties' agreement, the Panel assessed the total forum fees of \$1,000.00 to Respondents, jointly and severally, for the pre-hearing conference held on June 29, 2005.

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.

No administrative costs were incurred in this matter.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 250.00
Adjournment Fee	= \$ 500.00
Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$ 500.00
Total Fees	= \$1,400.00
Less payments	= \$1,250.00
Balance Due NASD Dispute Resolution	= \$ 150.00

Respondent Citigroup is solely liable for:

Member Fees	= \$4,450.00
Total Fees	= \$4,450.00
Less payments	= \$4,450.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Adjournment Fee	= \$2,000.00
Three-Day Cancellation Fee	= \$ 150.00
<u>Forum Fees</u>	<u>= \$1,500.00</u>
Total Fees	= \$3,650.00
<u>Less payments</u>	<u>= \$3,500.00</u>
Balance Due NASD Dispute Resolution	= \$ 150.00

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

ARBITRATION PANEL

Cynthia Lee Traina	-	Public Arbitrator, Presiding Chairperson
William Paul Bryan, III, J.D.	-	Public Arbitrator
Roger Michael Garner	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Cynthia Lee Traina
Public Arbitrator, Presiding Chairperson

August 5, 2005
Signature Date

/s/
William Paul Bryan, III, J.D.
Public Arbitrator

August 4, 2005
Signature Date

/s/
Roger Michael Garner
Non-Public Arbitrator

August 3, 2005
Signature Date

August 5, 2005
Date of Service (For NASD Dispute Resolution office use only)

Respondents are jointly and severally liable for:

Adjournment Fee	= \$2,000.00
Three-Day Cancellation Fee	= \$ 150.00
<u>Forum Fees</u>	<u>= \$1,500.00</u>
Total Fees	= \$3,650.00
<u>Less payments</u>	<u>= \$3,500.00</u>
Balance Due NASD Dispute Resolution	= \$ 150.00

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Cynthia Lee Traina
Public Arbitrator, Presiding Chairperson

08-05-05
Signature Date

William Paul Bryan, III, J.D.
Public Arbitrator

Signature Date

Roger Michael Garner
Non-Public Arbitrator

Signature Date

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Adjournment Fee	= \$2,000.00
Three-Day Cancellation Fee	= \$ 150.00
<u>Forum Fees</u>	<u>= \$1,500.00</u>
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Concurring Arbitrators' Signatures

Cynthia Lee Traina
Public Arbitrator, Presiding Chairperson

Signature Date


William Paul Bryan, III, J.D.
Public Arbitrator

8/4/05
Signature Date

Roger Michael Garner
Non-Public Arbitrator

Signature Date

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Respondents are jointly and severally liable for:

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Forum Fees	= \$1,500.00
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Less payments	= \$3,500.00
Balance Due NASD Dispute Resolution	= \$ 150.00

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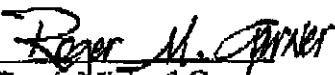
Concurring Arbitrators' Signatures

Cynthia Lee Traina
Public Arbitrator, Presiding Chairperson

Signature Date

William Paul Bryan, III, J.D.
Public Arbitrator

Signature Date



Roger Michael Garner
Non-Public Arbitrator

8/3/05

Signature Date

Date of Service (For NASD Dispute Resolution office use only)