

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Elizabeth Stewart Broussard

and

Case Number: 03-01801
Hearing Site: Houston, Texas

Name of Respondent

Citigroup Global Markets, Inc.

NATURE OF DISPUTE

Customer v. Member Firm

REPRESENTATION OF PARTIES

Elizabeth Stewart Broussard ("**Claimant**") was represented by David W. Navarro, Esq., of Cauthorn Hale Hornberger Fuller and Sheehan, in San Antonio, Texas and Loyal Lea, Esq., of Bingham & Lea, in San Antonio, Texas.

Citigroup Global Markets, Inc. ("**Citigroup**") was represented by Joseph A. Sack, Esq., of Citigroup Global Markets, Inc., in New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about March 11, 2003.

The Submission Agreement of Claimant, Elizabeth Stewart Broussard, was signed on or about March 5, 2003.

Statement of Answer was filed by Respondent, Citigroup Global Markets, Inc., on or about May 8, 2003.

Respondent, Citigroup Global Markets, Inc., did not file a Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty, omission of facts, misrepresentations, suitability, failure to supervise and negligence. The causes of

action relate to the recommendation and purchase of various unspecified securities. Claimant alleged that she is permanently disabled, has no experience in buying or selling securities, and relied solely on the advice of her financial advisors employed with Citigroup.

In January of 2000, Claimant consolidated her investment accounts and opened three discretionary investment accounts with The Robinson-Humphrey Co. LLC, a subsidiary of Citigroup. Between January 2000 and April 2000, Claimant liquidated her investments and transferred the cash to Citigroup. Claimant began making inquiries to Respondent after watching her portfolio dwindle from over \$300,000 to under \$150,000 within two years. Claimant ordered that her securities positions with Citigroup be liquidated. The growth oriented securities purchased by Citigroup for the various accounts owned by Claimant were inconsistent with Claimant's investment objectives, financial situation and experience.

Based on the foregoing, Claimant asserted claims against Citigroup for violations of Article 581-33 of the Texas Revised Civil Statutes and Section 27.01 of the Texas Business Commerce Code. Claimant alleges that Citigroup failed to inform and misrepresented the risks associated with the purchase of the investments in her account.

Unless specifically admitted in its Answer, Respondent, Citigroup Global Markets, Inc., denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: The Statement of Claim fails to state a cause of action upon which relief can be granted; Citigroup is not liable for Claimant's negligent acts or omissions; there is no private right of action for a violation of the NASD Rules or New York Stock Exchange Rules; Claimant voluntarily assumed the risk of investing and is precluded from recovery; the damages Claimant seeks are too speculative to be awarded; and Claimant, by her conduct, approved, authorized, and/or ratified Citigroup's actions.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$200,000.00
Attorney's Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified
Interest	Unspecified
Punitive/Exemplary Damages	Unspecified

Respondent requested that the claims asserted against it be denied in their entirety and that it be awarded its costs.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Citigroup Global Markets, Inc. did not file with the NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant

to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, and appeared and testified through counsel at the hearing is bound by the determination of the arbitration panel on all issues submitted.

At the final hearing, Citigroup made a verbal Motion to Dismiss Claimant's causes of action after Claimant rested. The Panel denied Citigroup's Motion to Dismiss.

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 pleadings, the testimony, and the evidence presented at the hearing the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Claimant's claims, each and all, are hereby denied and dismissed with prejudice in their entirety;
- 2.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) That any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

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 = \$300.00

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. In this matter, the member firm is Citigroup Global Markets, Inc.

Member surcharge	= \$1700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2750.00

Forum Fees and Assessments

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: February 6, 2004 1 session	

One (1) Pre-hearing session with Panel x \$1125.00	= \$1125.00
Pre-hearing conference: August 22, 2003 1 session	

Four (4) Hearing sessions x \$1125.00	= \$4500.00
Hearing Dates: April 20, 2004 2 sessions	
April 21, 2004 2 sessions	

Total Forum Fees	= \$6075.00
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The Arbitration Panel has assessed \$6075.00 of the forum fees to Elizabeth Stewart Broussard.

FEE SUMMARY

Claimant, Elizabeth Stewart Broussard, is liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 6075.00
Total Fees	= \$ 6375.00
Less payments	= \$ 1425.00
Balance Due NASD Dispute Resolution	= \$ 4950.00

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

Member Fees	= \$ 5200.00
Total Fees	= \$ 5200.00
Less payments	= \$ 5200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Thomas D. Nagle - Public Arbitrator, Presiding Chair
Frank Fugate - Public Arbitrator
Gary Danna - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Thomas D. Nagle
Thomas D. Nagle
Public Arbitrator, Presiding Chair

April 30, 2004
Signature Date

/s/ Frank Fugate
Frank Fugate
Public Arbitrator

April 30, 2004
Signature Date

/s/ Gary Danna
Gary Danna
Non-Public Arbitrator


April 30, 2004
Signature Date

April 30, 2004
Date of Service (For NASD office use only)

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Concurring Arbitrators:


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Public Arbitrator, Presiding Chair

April 30, 2004
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Thomas D. Nagle
Public Arbitrator, Presiding Chair

Signature Date

Frank Fugate

Frank Fugate
Public Arbitrator

04-30-04

Signature Date

Gary Danna
Non-Public Arbitrator

Signature Date

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Frank Fugate - Public Arbitrator
Gary Danna - Non-Public Arbitrator

Concurring Arbitrators:

Thomas D. Nagle
Public Arbitrator, Presiding Chair

Signature Date

Frank Fugate
Public Arbitrator

Signature Date



Gary Danna
Non-Public Arbitrator

4-30-2004

Signature Date

Date of Service (For NASD office use only)