
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Case Number: 03-01933

Kenneth Alan Horowitz
Kenneth Alan Horowitz IRA
Kenneth Alan Horowitz Family Foundation
Jonathan Murray Horowitz U/FL/UTMA
Michael Horowitz U/FL/UTMA
Barbara Horowitz
Barbara Horowitz IRA

Names of the Respondents

Hearing Site: Boca Raton, Florida

Salomon Smith Barney, Inc. n/k/a
Citigroup Global Markets, Inc.
Citigroup, Inc.
Jack Grubman
James Stern Zisson
Greg Torretta

Nature of Dispute: Customer vs. Member, Non-Member and Associated Person.

REPRESENTATION OF PARTIES

For Kenneth Alan Horowitz, Kenneth Alan Horowitz IRA, Kenneth Alan Horowitz Family Foundation, Jonathan Murray Horowitz U/FL/UTMA, Michael Horowitz U/FL/UTMA, Barbara Horowitz and Barbara Horowitz IRA, hereinafter collectively referred to as "Claimants": Michael J. Pucillo, Esq. and Marc J. Greenspon, Esq., Berman DeValerio Pease Tabacco Burt & Pucillo, West Palm Beach, Florida, and John P. Coffey, Esq., Bernstein, Litowitz, Berger & Grossman LLP, New York, New York.

For Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. ("Citigroup Global"), Citigroup, Inc. ("Citigroup"), Jack Grubman ("Grubman"), James Stern Zisson ("Zisson"), and Greg Torretta ("Torretta"), hereinafter collectively referred to as "Respondents": Bradford D. Kaufman, Esq., Joseph C. Coates, III, Esq. and Jason Fedo, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

CASE INFORMATION

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

Claimants signed the Uniform Submission Agreement: April 7, 2003.

Statement of Answer filed by Respondents on or about: June 16, 2003.

Respondents did not file executed Uniform Submission Agreements.

CASE SUMMARY

Claimants alleged the following causes of action: 1) breach of fiduciary duty; 2) breach of contract; 3) violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5; 4) violation of Section 20(a) of the Securities Exchange Act of 1934; 5) fraud; 6) breach of implied representation of fair dealing; 7) failure to supervise; and 8) negligence.

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

RELIEF REQUESTED

Claimants requested: 1) approximately \$36 million in compensatory damages; 2) the gains which they reasonably could have made on principal; 3) interest; and, 4) punitive damages.

Respondents requested: 1) dismissal of claims asserted by Claimants; and 2) expungement of all reference to the above captioned arbitration from Respondent Zisson's and Respondent Torretta's registration records maintained by the NASD Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Citigroup Global, Grubman, Zisson and Torretta 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 Procedures (the "Code") and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

Respondent Citigroup is not a member of the NASD and did not submit a properly executed Uniform Submission Agreement. However, by having answered the claim, Citigroup submitted to the jurisdiction of the Panel and is bound by the determination of the Panel on all issues submitted.

On or about October 26, 2004, Claimants filed a notice of settlement with Respondents.

On or about January 11, 2005, the parties jointly filed a Stipulated Motion for Entry of a Stipulated Award of Expungement for the above reference arbitration proceeding. In addition, Claimants dismissed, with prejudice, all claims alleged in the Statement of Claim.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

AWARD

After considering the pleadings, the Stipulated Motion for Expungement and the Claimant's Notice of Dismissal, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims against Respondents Salomon Smith Barney, Inc., Citigroup Global, Citigroup, Grubman, Zisson and Torretta are dismissed with prejudice.

2. The Panel recommends expungement of all references to the above-captioned arbitration proceeding from Respondents Zisson's and Torretta's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondents Zisson and Torretta must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

3. All parties will bear their own attorneys' fees and costs.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 600.00

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 Global is a member firm and a party.

Member surcharge = \$ 3,750.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 5,500.00

Total Member Fees = \$10,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed.

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:

There were no three-day cancellation fees assessed during these proceedings.

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.

There were no injunctive relief fees assessed during these proceedings.

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:

One (2) Pre-hearing sessions with a single arbitrator @ \$450.00 per session = \$ 900.00

Pre-hearing conferences: January 26, 2004 1 session

February 26, 2004 1 session

One (1) Pre-hearing session with Panel @ \$ 1200.00 per session = \$ 1,200.00

Pre-hearing conference: November 21, 2003 1 session

Total Fees = \$ 2,100.00

The Panel has assessed forum fees in the amount of \$1,050.00 to Claimants, jointly and severely.

The Panel has assessed forum fees in the amount of \$1,050.00 to Respondents, jointly and severely.

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.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee = \$ 600.00

Forum Fees = \$1,050.00

Retained Hearing Session Deposit pursuant to Rule 10332(f) of the Code = \$ 150.00

Total Fees = \$1,800.00

Less payments = \$1,800.00

Balance Due NASD Dispute Resolution = \$ 0.00

Respondent Citigroup Global is solely liable for:

Member Fees = \$10,000.00

Total Fees = \$10,000.00

Less payments = \$10,000.00

Balance Due NASD Dispute Resolution = \$ 0.00

Respondents are jointly and severally liable for:

Forum Fees	= \$ 1,050.00
Total Fees	= \$ 1,050.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,050.00

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

ARBITRATION PANEL

<i>Gerald Silverman, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Lawrence Alan Saichek, Esq.</i>	-	<i>Public Arbitrator</i>
<i>John Uustal</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

_____/s/
Gerald Silverman, Esq.
Public Arbitrator, Presiding Chairperson

3/23/05
Signature Date

Lawrence Alan Saichek, Esq.
Public Arbitrator

Signature Date

_____/s/
John Uustal
Non-Public Arbitrator

4/14/05
Signature Date

4/14/05
Date of Service (For NASD Dispute Resolution office use only)

APR. 14. 2005 11:05AM NASD REGULATIONS

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Balance Due NASD Dispute Resolution = \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 1,050.00
<u>Total Fees</u>	= \$ 1,050.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 1,050.00

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

ARBITRATION PANEL

Gerald Silverman, Esq.
Lawrence Alan Saichek, Esq.
John Uustal

- *Public Arbitrator, Presiding Chairperson*
 - *Public Arbitrator*
 - *Non-Public Arbitrator*

Concurring Arbitrators' Signatures

 Gerald Silverman, Esq.
 Public Arbitrator, Presiding Chairperson

 Signature Date

 Lawrence Alan Saichek, Esq.
 Public Arbitrator

 Signature Date


 John Uustal
 Non-Public Arbitrator


 Signature Date

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