

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Mark L. Preston

and

03-01956
Nashville, Tennessee

Name of Respondent

Salomon Smith Barney, Inc. n/k/a
Citigroup Global Markets, Inc.

Nature of the Dispute: Customer vs. Member

REPRESENTATION OF PARTIES

Mark L. Preston ("Claimant") was represented by Isham B. Bradley, Esq., Brentwood, Tennessee.

Citigroup Global Markets, Inc. ("Respondent") was represented by Frank L. Watson, III, Esq.,
Bateman Gibson, Memphis, Tennessee.

CASE INFORMATION

The Statement of Claim was filed on or about March 19, 2003. The Submission Agreement of Claimant Mark L. Preston was signed on or about March 13, 2003.

The Statement of Answer was filed by Respondent Citigroup Global Markets, Inc. on or about June 27, 2003. The Submission Agreement of Respondent Citigroup Global Markets, Inc. was signed on or about April 30, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: negligence, breach of fiduciary duty and failure to execute. The causes of action relate to the order execution of the Redback Network's ("RBAK") stock.

Claimant specifically stated the following:

On or about September 28, 2000 the account consisted of 2,000 shares of Redback Network's stock (trading symbol "RBAK"). On September 28, 2000 the stock

was valued at \$169.81 per share for a total of \$339,620.00. On September 28, 2000 Mark Preston directed that the shares be sold. The Respondent, Salomon Smith Barney, Inc. refused to execute the trade and sell the shares. Later, specifically on October 12, 2000, Salomon Smith Barney, Inc. did honor a request to sell the shares, at which time they were trading at \$102.69 per share for a total account value of \$205,380.00. At all times between September 28, 2000 and October 12, 2000 Salomon Smith Barney, Inc. refused to execute the trade directed by Mark Preston on September 28, 2000.

Unless specifically admitted in its Answer, Respondent Citigroup Global Markets, Inc. denied the allegations made in the Statement of Claim and asserted the following defenses: Respondent's Client Agreement entitled it to halt trading at any time in the S.E.T. For Life Account; Respondent acted reasonably and prudently by halting any activity in the S.E.T. For Life Account based on the surrounding circumstances, including but not limited to, the fact that Angie Bryan held a direct interest in said account; Claimant Preston ratified the sale price of Redback Networks in September 2000 and is estopped to now complain of same; Claimant Preston is not the real party in interest and thus does not have standing to bring the claims asserted herein; Angie Bryan and S.E.T. For Life Stock Fund, Inc. are the real parties in interest in this matter, and must be added as parties before this matter may be prosecuted; To the extent any alleged damages were suffered by Claimant Preston, Claimant failed to mitigate his damages by taking other actions, but not limited to, the purchase of puts and/or the short sale of Redback Networks in Claimant's other securities accounts; To the extent any alleged losses were suffered by Claimant Preston, such alleged losses were not the proximate cause of Respondent but were the result of intervening and superceding declines in the market value of Redback Networks, Inc.; Respondent had no special relationship of trust, confidence, dominion and control with respect to Claimant Preston nor the S.E.T. For Life Stock Fund, Inc. that would give rise to any fiduciary duty; and Claimant Preston's Statement of Claim, fails to state claims upon which relief may be granted.

RELIEF REQUESTED

Claimant requested an award in the amount of \$134,240.00 plus punitive damages, treble damages, attorney's fees and costs.

Respondent requested that the claims asserted against them be denied in its entirety and that they be awarded reasonable attorney's fees, the cost of these proceedings, including pre-hearing conference fees, arbitration session fees and Respondent's surcharge fees.

OTHER ISSUES CONSIDERED & DECIDED

The Claimant's submitted a Hearing Brief on or about March 2, 2004.

The Respondent's submitted a Proposed Findings of Fact and Conclusions of Law Brief on or about March 3, 2004.

The Claimant's submitted their Reply to Respondent's Proposed Findings of Fact and Conclusions Of Law Brief on or about March 10, 2004.

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 the NASD Dispute Resolution (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing and the post-hearing submissions, if any, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The claims asserted in this matter shall be and are hereby denied.
2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

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
(preliminary determination to waive granted by NASD Director)

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 person at the time of the event giving rise to the dispute. In this matter, the member firm is Citigroup Global Markets, Inc.

Member surcharge	\$	1,700.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	2,750.00
Total Member Fees	\$	5,200.00

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:

1 Pre-hearing session with Panel	x	1,125	\$	1,125.00
	October 8, 2003	1 session		
4 Hearing sessions	x	1,125	\$	4,500.00
	February 16, 2003	2 sessions		
	February 17, 2003	2 sessions		
Total Forum Fees			\$	5,625.00

The Arbitration Panel has assessed \$2,812.50 of the forum fees to Mark L. Preston.
The Arbitration Panel has assessed \$2,812.50 of the forum fees to Citigroup Global Markets, Inc.

Fee Summary

Claimant, Mark L. Preston, shall be and hereby is liable for:

Initial Filing Fee	= \$	300.00
<u>Forum Fees</u>	= \$	2,812.50
Total Fees	= \$	3,112.50
<u>Less payments</u>	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	3,112.50

Respondents, Citigroup Global Markets, Inc., shall be and hereby is liable for:

Member Fees	= \$	5,200.00
<u>Forum Fees</u>	= \$	2,812.50
Total Fees	= \$	8,012.50
<u>Less payments</u>	= \$	-5,200.00
Balance Due NASD Dispute Resolution	= \$	2,812.50

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Peter J. Towle, Esq. - Public Arbitrator, Presiding Chair
John G. Manley, Esq. - Public Arbitrator
John C. Burch, Jr. - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Peter J. Towle, Esq.
Peter J. Towle, Esq.
Public Arbitrator, Presiding Chair

3/18/04
Signature Date

/s/ John G. Manley, Esq.
John G. Manley, Esq.
Public Arbitrator

3/18/04
Signature Date

/s/ John C. Burch, Jr.
John C. Burch, Jr.
Non-Public Arbitrator

3/22/04
Signature Date

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Concurring Arbitrators:



Peter J. Towle, Esq.
Public Arbitrator, Presiding Chair

3-18-04

Signature Date

John G. Manley, Esq.
Public Arbitrator

Signature Date

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Non-Public Arbitrator

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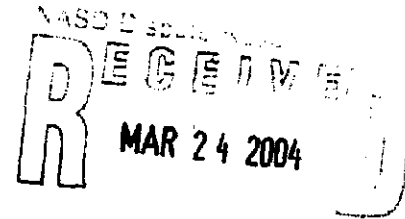
Signature Date


John G. Manley, Esq.
Public Arbitrator

3/15/04
Signature Date

John C. Burch, Jr.
Non-Public Arbitrator

Signature Date



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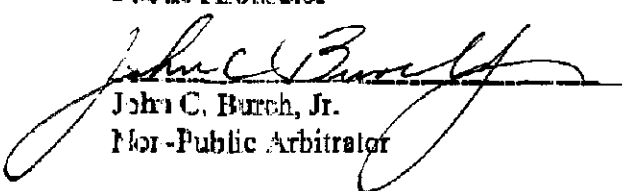
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Public Arbitrator, Presiding Chair

Signature: Date

John G. Manley, Esq.
Public Arbitrator

Signature: Date



John C. Burch, Jr.
Non-Public Arbitrator

3/22/04

Signature: Date