

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Stanley C. Franklin and Pari Franklin, Claimants v. Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. and Mark E. Jachec, Respondents

Case Number: 03-01968

Hearing Site: Los Angeles, California

Nature of the Dispute: Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

For Claimants:

Jonathan W. Evans, Esq.
Jonathan W. Evans & Associates
Studio City, California

For Respondents:

Stacey M. Garrett, Esq.
Keesal, Young & Logan
Long Beach, California

CASE INFORMATION

Statement of Claim filed: March 17, 2003

Claimants' Joint Uniform Submission Agreement received: March 17, 2003

Joint Statement of Answer filed by Respondents: June 11, 2003

Respondent Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc.'s Uniform Submission Agreement signed: May 5, 2003

Respondent Mark E. Jachec's Uniform Submission Agreement signed: May 2, 2003

CASE SUMMARY

Claimants alleged negligence, fraud, unsuitability, breach of contract, breach of fiduciary duty, breach of trust, misrepresentation, and violations of federal, state, and NASD Rules. Claimants' allegations concerned the purchase of shares of MCI WorldCom, Inc.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested \$97,552.96 in compensatory damages, unspecified punitive damages, interest at the rate of 10% per annum, disgorgement of commissions, lost opportunity costs, and costs, including attorney's fees.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On April 3, 2003, Claimants and Claimants' counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On June 13, 2003, Respondents and Respondents' counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On or about January 26, 2004, the parties entered into a confidential settlement agreement pursuant to which Claimants have agreed to dismiss the Claim with prejudice. As part of the settlement, Claimants do not oppose a Stipulated Award being issued expunging the references to this proceeding from the NASD Central Registration Depository records of Respondent Mark E. Jachec.

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, testimony, and the Parties' request for this Stipulated Award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants and Respondents have entered into a confidential settlement agreement.
2. Claimants' claims are dismissed in their entirety with prejudice.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Mark E. Jachec's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Mark E. Jachec must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

4. The parties shall bear their respective costs, including attorney's fees.
5. All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code of Arbitration Procedure ("Code"), the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 225.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,100.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 1,700.00</u>
Total Member Fees	= \$ 3,550.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

1 (One) Pre-hearing conference session with the Panel @ \$750.00/session	= \$ 750.00
Pre-hearing conference: October 2, 2003 1 session	

Total Forum Fees	= \$ 750.00
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1. The Panel assessed \$375.00 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$375.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 375.00
Total Fees	= \$ 600.00
Less payments	= \$ (1,425.00)
Refund paid to Claimants	= \$ (825.00)

2. Respondent Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. is charged with the following fees and costs:

Member Fees	= \$ 3,550.00
Less payments	= \$ (3,550.00)
Balance Due NASD Dispute Resolution	= \$ 0.00


3. Respondents Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. and Mark E. Jachec are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 375.00
Less payments by Respondent Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc	= \$ (375.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Ronald L. Cameron	-	Public Arbitrator, Presiding Chair
Howard A. Emirhanian	-	Public Arbitrator
James R. Duncan, Esq.	-	Non-Public Arbitrator



Ronald L. Cameron
Chair, Public Arbitrator

10/22/04

Signature Date

Howard A. Emirhanian
Public Arbitrator

Signature Date

James R. Duncan, Esq.
Non-Public Arbitrator

Signature Date

10/27/04

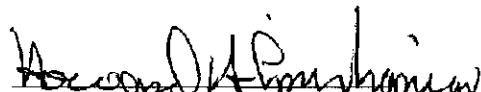
Date of Service

ARBITRATION PANEL

Ronald L. Cameron	-	Public Arbitrator, Presiding Chair
Howard A. Emirhanian	-	Public Arbitrator
James R. Duncan, Esq.	-	Non-Public Arbitrator

Ronald L. Cameron
Chair, Public Arbitrator

Signature Date


Howard A. Emirhanian
Public Arbitrator

10/26/04
Signature Date

James R. Duncan, Esq.
Non-Public Arbitrator

Signature Date

10/27/04
Date of Service

ARBITRATION PANEL


Ronald L. Cameron	-	Public Arbitrator, Presiding Chair
Howard A. Emirhanian	-	Public Arbitrator
James R. Duncan, Esq.	-	Non-Public Arbitrator

Ronald L. Cameron
Chair, Public Arbitrator

Signature Date

Howard A. Emirhanian
Public Arbitrator

Signature Date


James R. Duncan, Esq.
Non-Public Arbitrator

10-25-04
Signature Date

10/27/04
Date of Service