

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Robert Gray, Joan C. Gray, Joan C. Gray IRA, Robert Gray Custodian For Robert C. Fay, and Robert Gray IRA (Claimants) v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., Scott Zoldan, and Lorene Fairbanks (Respondents)

Case Number: 03-02304

Hearing Site: Cleveland, Ohio

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

REPRESENTATION OF PARTIES

Claimants Robert Gray ("R. Gray"), Joan C. Gray ("J. Gray"), Joan C. Gray IRA ("J. Gray IRA"), Robert Gray Custodian For Robert C. Fay ("R. Gray Custodian"), and Robert Gray IRA ("R. Gray IRA") hereinafter collectively referred to as "Claimant(s)": John D. Falgiani, Jr., Esq., Dann & Falgiani, LLC, Youngstown, OH.

Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup"), Scott Zoldan ("Zoldan"), and Lorene Fairbanks ("Fairbanks") hereinafter collectively referred to as "Respondents": Robert N. Rapp, Esq., Calfee, Halter & Griswold, LLP, Cleveland, OH. Previously represented by: Linda R. Alpert, Esq., Citigroup Global Markets, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: March 31, 2003.

Claimants J. Gray and J. Gray IRA signed the Uniform Submission Agreement: May 22, 2003.

Claimants R. Gray, R. Gray Custodian, and R. Gray IRA signed the Uniform Submission Agreement.

Joint Statement of Answer filed by Respondents on or about: July 15, 2003.

Respondent Citigroup signed the Uniform Submission Agreement: July 28, 2003.

Respondent Zoldan signed the Uniform Submission Agreement: July 28, 2003.

Respondent Fairbanks signed the Uniform Submission Agreement: July 29, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability; breach of the implied covenant of good faith and fair dealing; breach of express warranties/contract; and fraud/misrepresentation. Claimants' claim involved various common stocks.

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$170,000.00; pre- and post-award interest at the maximum legal rate and dating from the original purchase; costs of arbitration, including filing fees, attorneys' fees in the amount of \$20,000.00, and such other costs as are deemed reasonable; and punitive damages in the amount of \$250,000.00.

Respondents requested that the Statement of Claim be dismissed, with costs assessed against Claimants, and that this matter be expunged from the regulatory records of the individual Respondents.

OTHER ISSUES CONSIDERED AND DECIDED

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.

AWARD

After considering the pleadings, and the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are denied in their entirety.
2. Any and all relief not specifically addressed herein is denied.

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 persons at the time of the events giving

rise to the dispute. Accordingly, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. is a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

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 (1) Pre-hearing session with Panel @ \$1,125.00	= \$1,125.00
Pre-hearing conference: December 8, 2003 1 session	

Six (6) Hearing sessions @ \$1,125.00	= \$6,750.00
Hearing Dates: July 13, 2004 2 sessions	
July 14, 2004 2 sessions	
July 15, 2004 2 sessions	

Total Forum Fees	= \$7,875.00
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1. The Panel has assessed \$7,875.00 of the forum fees against Respondent Citigroup.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$ 1,425.00
Refund Due to Claimants	= \$ 1,125.00

2. Respondent Citigroup is solely liable for:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 7,875.00
Total Fees	= \$13,075.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 7,875.00


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

ARBITRATION PANEL

Benjamin B. Segel, Esq.	-	Public Arbitrator, Presiding Chairperson
Elmer G. Cowan, Esq.	-	Public Arbitrator
Howard A. Slater, MBA	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument in which is my award.



Benjamin B. Segel, Esq.
Public Arbitrator, Presiding Chairperson

7/29/04

Signature Date

Elmer G. Cowan, Esq.
Public Arbitrator

Signature Date

Howard A. Slater, MBA
Non-Public Arbitrator

Signature Date

July 30, 2004

Date of Service (For NASD Dispute Resolution use only)

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Public Arbitrator, Presiding Chairperson

Signature Date

Elmer G. Cowan

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Public Arbitrator

JUL 28 2004

Signature Date

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Non-Public Arbitrator

Signature Date

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