

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants

Case Number: 03-02342

Jeff Collins
Sybill Collins
Tyler Collins, IRA
Benjamin Collins, IRA
Jessica Collins, IRA
Heyward Lowry, IRA
James Harold Collins
Hazel Collins
Pradford Lowery
Lendora Lowery
Jamie Collins, IRA
Timmy Collins, IRA
Lisa Florita, IRA
Pradford Lowery, IRA
Betty Collins, IRA
Trenette Deese, IRA
Collins & Sons Milling Company, Inc.
Collins & Lowery D.D.S., P.A.
Peter Zanard
Robyn Zanard
Peter Zanard, IRA

Names of the Respondents

Hearing Site: Raleigh, North Carolina

Citigroup Global Markets, Inc.
f/k/a Salomon Smith Barney, Inc.
Douglas Henry Delong
Richard Drayton, Jr.

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

REPRESENTATION OF PARTIES

Claimants, Jeff Collins, Sybill Collins, Tyler Collins, IRA, Benjamin Collins, IRA, Jessica Collins, IRA, Heyward Lowry, IRA, James Harold Collins, Hazel Collins, Pradford Lowery, Lendora Lowery, Jamie Collins, IRA, Timmy Collins, IRA, Lisa Florita, IRA, Pradford Lowery, IRA, Betty Collins, IRA, Trenette Deese, IRA, Collins & Sons Milling Company, Inc., Collins & Lowery D.D.S., P.A., Peter Zanard, Robyn Zanard, Peter Zanard, IRA, hereinafter referred to as "Claimants", were represented by Roger E. Cole, Esq., Rickert Hinnant, Esq., and Jeffrey Watson, Esq., Allman, Spry, Leggett & Crumpler, P.A., Winston-Salem, North Carolina.

Respondents, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Douglas Henry Delong ("Delong"), were represented by David C. Franceski, Jr., Esq. and Jeffrey

D. Grossman, Esq., Stradley, Ronon, Stevens & Young, LLP, Philadelphia, Pennsylvania.

Respondent, Richard Drayton, Jr. ("Drayton"), was represented by Joshua Horn, Esq., Fox Rothschild, LLP., Philadelphia, Pennsylvania.

CASE INFORMATION

Statement of Claim filed on April 1, 2003.

Claimants filed Reply to Respondents Citigroup, Delong and Drayton's Counterclaim on June 16, 2003.

Claimants filed a Response to Respondents Citigroup, Delong and Drayton's Motion to Dismiss Respondent Delong on June 23, 2003.

Claimants signed the Uniform Submission Agreements on March 25, 2003 and March 27, 2003.

Statement of Answer, Counterclaim and Motion to Dismiss Respondent Delong filed by Respondents Citigroup, Delong and Drayton on June 6, 2003.

A representative of Respondent Citigroup signed the Uniform Submission Agreement on June 18, 2003.

Respondent Delong signed the Uniform Submission Agreement on April 30, 2003.

Respondent Drayton signed the Uniform Submission Agreement on May 1, 2003.

CASE SUMMARY

Claimants, in their Statement of Claim, asserted the following causes of action, among others: violations of securities laws, misrepresentation, breach of client agreements, common law fraud and deceit, breach of fiduciary duty, negligence, and failure to supervise. The causes of action relate to the suitability of the overall composition of Claimants' accounts and their purchases of a private placement security offering.

Unless specifically admitted in their Answer, Respondents Citigroup, Delong and Drayton denied the allegations made in the Statement of Claim and asserted the following defenses: Claimants had not sustained any compensable losses, estoppel, laches, ratification, failure to mitigate damages, lack of proximate cause, statutes of limitations, lack of reasonable reliance, the doctrine of *in pari delicto*, and release.

Respondents Citigroup, Delong and Drayton, in their Counterclaim, asserted a cause of action for indemnification.

Claimants, in their Reply to Respondents' Counterclaim, asserted the following defenses, among others: contributory negligence, intervening and superseding negligence, waiver and estoppel.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$	3,000,000.00
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Punitive Damages	\$ 6,000,000.00
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents Citigroup, Delong and Drayton requested that all of Claimants' claims be dismissed, that they be awarded costs and attorneys' fees, and that the Arbitration Panel (the "Panel") order the expungement of all reference to this matter from Respondent Delong's and Respondent Drayton's Central Registration Depository ("CRD") record.

Respondents Citigroup, Delong and Drayton requested in their Counterclaim compensatory damages in excess of \$3,000,000.00 for indemnification.

Claimants requested that they be awarded costs, interest and attorneys' fees for defending Respondents Citigroup, Delong and Drayton's Counterclaim.

OTHER ISSUES CONSIDERED AND DECIDED

On January 9, 2004, the Panel denied Respondents Citigroup's, Delong's and Drayton's Motion to Dismiss Respondent Delong.

Prior to the hearing, the parties fully and finally settled all claims by and between them. Therefore, the parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

AWARD

Pursuant to the above, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. That the parties have amicably resolved their differences and have requested this Stipulated Award;
2. That Claimants' claims against Respondent DeLong are dismissed with prejudice, and upon consummation of the agreed upon settlement, Claimants' claims against Respondents Citigroup and Drayton Jr. are also dismissed with prejudice.
3. That the Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Delong's registration records maintained by the CRD with the understanding that, pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Delong must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;

4. That each party shall bear its own costs and expenses, including attorneys' fees, except as Fees are specifically addressed below; and
5. That any and all relief not specifically addressed herein, including punitive damages is denied in its entirety.

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	= \$ 600.00
Counter claim filing fee	= \$ 2,000.00

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 is a party.

Member surcharge	= \$ 3,350.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

June 16-19, 2004 and June 22-25, 2004, adjournment requested by Claimants and Respondents Citigroup, Delong and Drayton	waived
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Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$ 450.00	= \$ 450.00
Pre-hearing conference: May 7, 2004 1 session	
Two (2) Pre-hearing sessions with Panel @ \$ 1,200.00	= \$ 2,400.00
Pre-hearing conferences: December 18, 2003 1 session	
January 9, 2004 1 session	
<hr/> Total Forum Fees	<hr/> = \$ 2,850.00

1. The Panel has assessed \$ 1,425.00 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$ 1,425.00 of the forum fees jointly and severally to Respondents

Citigroup, Delong and Drayton.

Fee Summary

1. Claimants are jointly and severally assessed and shall pay:

Initial Filing Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$ 1,425.00</u>
Total Fees	= \$ 2,025.00
<u>Less payments</u>	<u>= \$ 1,800.00</u>
Balance Due NASD Dispute Resolution	= \$ 225.00

2. Respondent Citigroup is assessed and shall pay:

<u>Member Fees</u>	<u>= \$ 9,600.00</u>
Total Fees	= \$ 9,600.00
<u>Less payments</u>	<u>= \$12,375.00</u>
Balance Transferred to Mediation	= \$ 2,775.00

3. Respondents Citigroup, Delong and Drayton are jointly and severally assessed and shall pay:

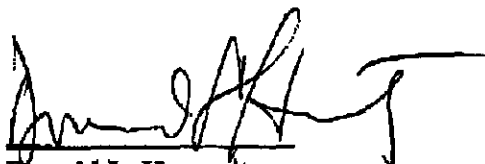
Filing Fee	= \$ 2,000.00
<u>Forum Fees</u>	<u>= \$ 1,425.00</u>
Total Fees	= \$ 3,425.00
<u>Less payments</u>	<u>= \$ 3,425.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Donald L. Horowitz	-	Public Arbitrator, Presiding Chairperson
Karen E. Sapp, Esq.	-	Public Arbitrator, Panelist
Thomas C. Borthwick	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Donald L. Horowitz
Public Arbitrator, Presiding Chairperson

March 3, 2001

Signature Date

Karen E. Sapp, Esq.
Public Arbitrator, Panelist

Signature Date

Thomas C. Borthwick
Non-Public Arbitrator, Panelist


Signature Date

March 10, 2005
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Donald L. Horowitz
Public Arbitrator, Presiding Chairperson

Signature Date



Karen E. Sapp, Esq.
Public Arbitrator, Panelist

3/1/05

Signature Date

Thomas C. Borthwick
Non-Public Arbitrator, Panelist

Signature Date

March 10, 2005

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

Concurring Arbitrators' Statements

Donald L. Horowitz
Public Arbitrator, Presiding Arbitrator

Signature Date

Karen E. Sapp, Esq.
Public Arbitrator, Panelist

Signature Date

Thomas C. Borthwick
Thomas C. Borthwick
Non-Public Arbitrator, Panelist

3/10/05
Signature Date

March 10, 2005
Date of Service (For NASD Dispute Resolution office use only)