

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

The Estate of William Horton and
The Estate of Viola D. Horton and
Patricia Sopp, JTWROS

Case Number: 03-02516

Names of the Respondents

Salomon Smith Barney, Inc., now
known as Citigroup Global
Markets, Inc. and Richard A.
McGarrah

Hearing Site: Atlanta, Georgia

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For The Estate of William Horton and The Estate of Viola D. Horton and Patricia Sopp, JTWROS, hereinafter collectively referred to as "Claimants": Raymond L. Moss, Esq., Gerald B. Kline, Esq. and Michael P. Gilmore, Esq., Sims Moss Kline & Davis LLP, Atlanta, Georgia and Mineola, New York.

For Respondent Salomon Smith Barney, Inc., now known as Citigroup Global Markets, Inc. ("Citigroup") and Richard A. McGarrah ("McGarrah"), hereinafter referred to as "Respondents": Brett A. Rogers, Esq. and Raj M. Nichani, Esq., Rogers & Hardin LLP, Atlanta, Georgia.

CASE INFORMATION

Statement of Claim filed on or about: April 4, 2003.

Amendment to Statement of Claim filed on or about: August 25, 2004.

Claimants signed the Uniform Submission Agreement: April 1, 2003.

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

Respondent Citigroup signed the Uniform Submission Agreement: August 14, 2003.

Respondent McGarrah signed the Uniform Submission Agreement: August 14, 2003.

Respondents' Motion to Dismiss Claims filed on or about: October 12, 2004.

Claimants' Reply to Respondents' Motion to Dismiss Claims filed on or about: October 28, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: violation of 15 U.S.C. Section 78j(b) and Rule 10b-5 promulgated under the Securities Exchange Act of 1934; common law fraud; breach of fiduciary duty; common law negligence; unjust enrichment; breach of contract; violations of the antifraud provisions of O.C.G.A. Sections 10-5-12 and 10-5-14 of the Georgia Blue Sky Laws; and, violation of the NASD Business Conduct Rules. The causes of action relate to Claimants' investments in the AIM Constellation Fund, AIM Value Fund/AIM Premier Equity Fund, Van

Kampen Enterprise Fund, Smith Barney Health Science Fund and unspecified telecommunications and technology stocks including Exodus Communications, Williams Communications and Metromedia Fiber in their accounts.

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 against Respondents, jointly and severally, in the sum of not less than \$500,000.00; prejudgment interest; attorneys' fees and costs and expenses of litigation; separate awards of exemplary damages against each of the Respondents in a sum as determined by the panel of arbitrators; and, such other and further relief as is just and appropriate.

Respondents requested that the Statement of Claim be dismissed and that the Panel award Respondents all of their attorneys' fees and costs of litigation in this matter.

OTHER ISSUES CONSIDERED AND DECIDED

On or about September 9, 2004, the arbitration panel issued an order which granted Claimants' Amendment to Statement of Claim to substitute as Claimants The Estate of William Horton and The Estate of Viola D. Horton and Patricia Sopp, JTWROS in place of Claimants The Estate of William Horton, Viola D. Horton, and Viola D. Horton and Patricia Sopp, JTWROS.

Respondents filed a motion to dismiss which asserted that the claims have no merit and have not been supported by any credible evidence in the hearings. In response, Claimants asserted evidence was presented which supports their causes of action. On or about November 2, 2004, the arbitration panel issued an order which denied Respondents' motion to dismiss.

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

AWARD

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

The Panel finds in favor of Respondents on all claims asserted.

Claimants are liable, jointly and severally, and shall pay to Respondents the sum of \$23,561.00 in costs.

Any and all claims for relief not specifically addressed herein, including Claimants' request for exemplary damages, are denied.

FEEES

Pursuant to the NASD Code of Arbitration Procedure (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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge = \$1,700.00

Pre-hearing process fee = \$750.00

Hearing process fee = \$2,750.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred in this matter.

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.

No three-day cancellation fees were incurred in this matter.

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.

No injunctive relief fees were incurred in this matter.

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:

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

Pre-hearing conferences: August 24, 2004 1 session

September 7, 2004 1 session

One (1) Pre-hearing session with the Panel @ \$1,125.00 = \$1,125.00

Pre-hearing conference: November 21, 2003 1 session

Fourteen (14) Hearing sessions @ \$1,125.00 = \$15,750.00

Hearing Dates: September 27, 2004 2 sessions
September 28, 2004 2 sessions
September 29, 2004 2 sessions
September 30, 2004 2 sessions
October 1, 2004 2 sessions
November 2, 2004 2 sessions
November 3, 2004 2 sessions

Total Forum Fees = \$17,775.00

The Panel has assessed the total forum fees of \$17,775.00 to Claimants, jointly and severally.

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 are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

FEE SUMMARY

Claimants are jointly and severally liable for:

Initial Filing Fee = \$300.00
Forum Fees = \$17,775.00

Total Fees = \$18,075.00
Less payments = \$1,575.00

Balance Due NASD Dispute Resolution = \$16,500.00

Respondent Citigroup is solely liable for:

Member Fees = \$5,200.00

Total Fees = \$5,200.00
Less payments = \$5,200.00

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

John C. Yeoman, Jr.	-	Public Arbitrator, Presiding Chair
Marvin Kent Speigner, Jr.	-	Public Arbitrator
Peggy Lewis Kennedy	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/S/_____
John C. Yeoman, Jr.
Public Arbitrator, Presiding Chair

Signature Date

_____/S/_____
Marvin Kent Speigner, Jr.
Public Arbitrator

Signature Date

_____/S/_____
Peggy Lewis Kennedy
Non-Public Arbitrator

Signature Date

November 5, 2004

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

NASD Dispute Resolution

Arbitration No. 09-02516

Award Page 5

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

ARBITRATION PANEL

John C. Yeoman, Jr.	-	Public Arbitrator, Presiding Chair
Marvin Kent Speigner, Jr.	-	Public Arbitrator
Peggy Lewis Kennedy	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

John C. Yeoman, Jr.
Public Arbitrator, Presiding Chair

Signature Date

Marvin Kent Speigner, Jr.
Public Arbitrator

Signature Date



Peggy Lewis Kennedy
Non-Public Arbitrator

11/5/2004

Signature Date

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

NOV. 4.2004 4:08PM NASD DISPUTE RESOLUTION

NO.025

P.5

NASD Dispute Resolution

Arbitration No. 03-02516

Award Page 5

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Marvin Kent Speigner, Jr.	-	Public Arbitrator
Peggy Lewis Kennedy	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

John C. Yeoman, Jr.
Public Arbitrator, Presiding Chair

Signature Date

Marvin Kent Speigner, Jr.
Marvin Kent Speigner, Jr.
Public Arbitrator

Nov 4, 2004
Signature Date

Peggy Lewis Kennedy
Non-Public Arbitrator

Signature Date

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

NOV. 4. 2004 4:04PM NASD DISPUTE RESOLUTION

NO. 024 P. 6

NASD Dispute Resolution
Arbitration No. 03-02516
Award Page 5

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ARBITRATION PANEL

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Marvin Kent Speigner, Jr.	-	Public Arbitrator
Peggy Lewis Kennedy	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


John C. Yeoman, Jr.
Public Arbitrator, Presiding Chair

11/4/04
Signature Date


Marvin Kent Speigner, Jr.
Public Arbitrator

Signature Date


Peggy Lewis Kennedy
Non-Public Arbitrator

Signature Date

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