
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Anthony L. Arakkal and Bridget Arakkal,

Case Number: 03-03234

Name of the Respondents

Citigroup Global Markets, Inc., Richard J. Conway,
Robert A. Wilson and Sanford I. Weill

Hearing Site: St. Louis, Missouri

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

REPRESENTATION OF PARTIES

Anthony L. and Bridget Arakkal (the "Arakkals"), hereinafter collectively referred to as "Claimants": Sandor L. Grossman, Esq. of Chicago, Illinois and co-counsel Andrew Stoltmann, Esq., formerly of Maddox, Hargett & Caruso in Chicago, Illinois. Messrs. Grossman and Stoltmann withdrew as counsel for Claimants, and on April 4, 2005, Bruce D. Oakes, Esq. and Richard B. Fosher, Esq. of Oakes & Fosher, LLC, located in St. Louis, Missouri filed their appearance on behalf of Claimants.

Citigroup Global Markets, Inc. ("Citigroup"), Richard J. Conway ("Conway"), Robert A. Wilson ("Wilson") and Sanford I. Weill ("Weill"), hereinafter collectively referred to as "Respondents": A. Jamie Schupp, Esq. of Neal, Gerber & Eisenberg, LLP, located in Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on or about: May 12, 2003

Claimants signed the Uniform Submission Agreement: April 24, 2003

Amended Statement of Claim filed on or about: February 12, 2004

Second Amended Statement of Claim filed on or about: June 25, 2005

Statement of Answer filed by Respondents Conway, Wilson and Weill on or about: August 13, 2003

Statement of Answer to Amended Statement of Claim filed by Respondents, Citigroup, Conway and Wilson on or about: March 19, 2004

Statement of Answer to Second Amended Statement of Claim filed by Respondents Citigroup, Conway and Wilson, on or about: September 16, 2005

Respondent Citigroup signed the Uniform Submission Agreement: March 18, 2004

Respondents Conway and Wilson jointly signed the Uniform Submission Agreement: August 15, 2004

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty, failure to supervise, negligence, margin calls, unauthorized trading, churning, suitability and misrepresentations. The causes of action relate to various stocks including, Applied Materials; Consec; 3Com; Compaq Computer; Cisco Systems; Elan Pharmaceuticals; Intel; WorldCom; Motorola; Vishay; EMC; Oracle; Dell Computer; Sepracor; Tyco; IDEC Pharmaceuticals; Lucent Technologies; Global Crossing; Sun Microsystems; Guidant; Palm Systems; Texas Instruments; American Online; Nokia; Solectron; Flextronics; and Yahoo!, Inc. Claimants asserted that these were high-risk and aggressive stocks that were unsuitable to their investment needs and objectives.

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

1. The Statement of Claim fails to state a claim upon which relief may be granted.
2. To the extent that Claimants did suffer any of the damages alleged in the Statement of Claim, such damages were not proximately caused by any act, representation or omission of Respondents.
3. Claimants' claims are barred by the applicable statute of limitations.
4. To the extent that Claimants did suffer any of the damages alleged in the Statement of Claim, Claimants failed to take reasonable steps to mitigate or avoid those damages.
5. Claimants are legally and equitably estopped from asserting their claims.
6. Claimants' claims are barred under the doctrine of waiver and/or ratification.
7. Claimants' cannot recover attorney's fees and/or punitive damages under applicable law.

RELIEF REQUESTED

Claimants requested \$1,181,589.38 in compensatory damages, punitive damages, interest, attorney's fees and costs, and for such other and further relief as the Panel deems just and proper.

Respondents, Citigroup, Conway and Wilson, requested that the claims be dismissed in their entirety, for attorney's fees and costs, and for further relief as the Panel deems appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent, Sanford I. Weill, did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

On or about March 16, 2006, Claimants notified NASD that Claimants have dismissed all claims against Respondent, Sanford I. Weill, with prejudice.

At the hearing of this matter, Respondents moved for directed verdict and Claimants objected. The Panel denied Respondents' motion.

AWARD

After considering the pleadings, 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. Any and all claims asserted by Claimants, Anthony L. Arakkal and Bridget Arakkal, are denied.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent, Robert A. Wilson'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 Wilson must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. Except as otherwise specified herein, parties shall bear their own costs, including attorneys' fees.
4. Any and all relief not specifically addressed herein, including punitive damages, are 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	= \$ 500.00
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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. is a party and assessed the following fees:

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

November 30-December 3, 2004, adjournment by both parties	= \$ 1,200.00
	(waived by the Panel)

October 25-29, 2004, adjournment by both parties	= \$ 1,500.00
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Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00 = \$ 900.00
Pre-hearing conferences: April 17, 2006 1 session
April 21, 2006 1 session

Three (3) Pre-hearing sessions with Panel @ \$1,200.00 = \$ 3,600.00
Pre-hearing conferences: January 22, 2004 1 session
January 27, 2005 1 session
May 13, 2005 1 session

Twenty (20) Hearing sessions @ \$1,200.00 = \$24,000.00
Hearing Dates: April 24, 2006 2 sessions
April 25, 2006 2 sessions
April 26, 2006 3 sessions
April 27, 2006 3 sessions
April 28, 2006 2 sessions
May 1, 2006 3 sessions
May 2, 2006 2 sessions
May 3, 2006 2 sessions
May 4, 2006 1 session

Total Forum Fees = \$28,500.00

The Panel has assessed 100% of the total forum fees jointly and severally to Respondents, Citigroup Global Markets, Inc., Richard J. Conway and Robert A. Wilson.

Fee Summary

1. Claimants, Anthony L. Arakkal and Bridget Arakkal, are jointly liable for:

Initial Filing Fee	= \$ 500.00
Postponement Fee	= \$ 750.00
Total Fees	= \$ 1,250.00
<u>Less payments</u>	<u>= \$ 1,800.00</u>
Refund Due from NASD Dispute Resolution	= \$ 550.00

2. Respondent, Citigroup Global Markets, Inc. is solely liable for:

Member Fees	= \$ 8,550.00
<u>Less payments</u>	<u>= \$ 8,550.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents, Citigroup Global Markets, Inc., Richard J. Conway, Robert A. Wilson and Sanford I. Weill, are jointly and severally liable for:

Adjournment Fee	= \$ 750.00
<u>Less payments</u>	<u>= \$ 750.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Respondents, Citigroup Global Markets, Inc., Richard J. Conway and Robert A. Wilson are jointly and severally liable for:

Forum Fees	= \$28,500.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$28,500.00

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

ARBITRATION PANEL

George T. Mehan, Jr.	-	Public Arbitrator, Presiding Chairperson
Robert W. Dempsey	-	Public Arbitrator
Robert Shiffra, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ George T. Mehan, Jr.
George T. Mehan, Jr.
Public Arbitrator, Presiding Chairperson

5/10/06
Signature Date

/s/ Robert W. Dempsey
Robert W. Dempsey
Public Arbitrator

5/10/06
Signature Date

/s/ Robert Shiffra, Esq.
Robert Shiffra, Esq.
Non-Public Arbitrator

5/10/06
Signature Date

5/10/06
Date of Service (For NASD Dispute Resolution use only)

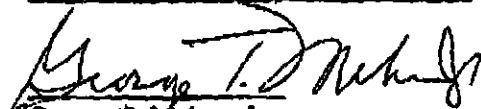
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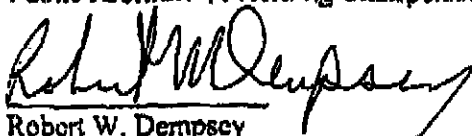
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