

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Lawrence Chvilicek, Claimant v. Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc., Jack B. Grubman, and John W. Hampton, Respondents

Case Number: 03-03343

Hearing Site: Portland, Oregon

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

REPRESENTATION OF PARTIES

For Claimant:

Scott A. Shorr, Esq.
Stoll Stoll Berne Lokting &
Shlachter, P.C.
Portland, Oregon

For Respondents:

Cameron Stout, Esq.
Keesal, Young & Logan
San Francisco, California

CASE INFORMATION

Statement of Claim filed: May 6, 2003

Claimant's Uniform Submission Agreement signed: April 15, 2003

Joint Statement of Answer filed by Respondents Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc., Jack B. Grubman, and John W. Hampton: July 21, 2003

Respondent Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc.'s Uniform Submission Agreement signed: June 4, 2003

Respondent Jack B. Grubman's Uniform Submission Agreement signed: June 03, 2003

Respondent John W. Hampton's Uniform Submission Agreement signed: June 26, 2003

CASE SUMMARY

Claimant alleged breach of fiduciary duty, unsuitability, securities fraud, unauthorized transactions, unsuitability, violation of state securities laws, violation of the Securities and Exchange Act of 1934, violation of NASD, NYSE, and Oregon Securities Division rules, violation of Oregon common law and negligent supervision. Claimant's allegations involved transactions in shares of WorldCom, Inc., Agilent Technologies, and AOL stocks in his IRA account.

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

RELIEF REQUESTED

Claimant requested \$250,000.00 in compensatory damages and/or rescissory relief, unspecified punitive damages, pre- and post-judgment interest, and costs, including expert witness and attorney's fees.

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

OTHER ISSUES CONSIDERED AND DECIDED

On August 23, 2004, NASD Dispute Resolution received Claimant's dismissal with prejudice of all claims.

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.

STIPULATION

It is stipulated by and between Claimant and Respondents, through their attorneys of record, that:

1. The Statement of Claim and all claims asserted therein are dismissed with prejudice.
2. Claimant does not object to the Panel rendering the following award: The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent John W. Hampton's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent John W. Hampton must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

3. Each party will bear its own costs, including attorney's fees, except Respondent Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. will bear all of the forum costs and fees charged by NASD in connection with any proceeding that occur in connection with the Stipulation, including any that occur in connection with Respondent Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc.'s effort to obtain expungement of the matter from Respondent John W. Hampton's CRD record.

STIPULATED AWARD

After considering the Stipulation 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. Claimant's claims are dismissed with prejudice.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent John W. Hampton's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent John W. Hampton must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. Each party will bear its own costs, including attorney's fees, except Respondent Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. will bear all of the forum costs and fees charged by NASD in connection with any proceeding that occur in connection with the Stipulation, including any that occur in connection with Respondent Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc.'s effort to obtain expungement of the matter from Respondent John W. Hampton's CRD record.

FEES

Pursuant to the 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	= \$ 300.00
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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, which 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	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 2,750.00</u>
Total Member Fees	= \$ 5,200.00

Adjournment Fees:

The following adjournment fees are assessed:

July 28-30, 2004 adjournment requested by Claimant = Waived

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 Panel. The following fees are assessed:

One (1) Pre-hearing conference session with the Chair @ \$450.00/session = \$ 450.00
Pre-hearing conference: June 9, 2004 1 session

One (1) Pre-hearing conference session with the Panel @ \$1,125.00/session = \$ 1,125.00
Pre-hearing conference: October 2, 2003 1 session

Total Forum Fees = **\$ 1,575.00**

1. The Panel assessed \$787.50 of the forum fees to Claimant Lawrence Chvilicek.
2. The Panel assessed \$787.50 of the forum fees jointly and severally to Respondents Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc., Jack B. Grubman, and John W. Hampton.

Fee Summary

1. Claimant Lawrence Chvilicek is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$ 787.50</u>
Total Fees	= \$ 1,087.50
<u>Less payments</u>	<u>= \$ (2,125.00)</u>
Refund paid to Claimant Lawrence Chvilicek	= \$ (1,037.50)

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

Member Fees	= \$ 5,200.00
<u>Less payments</u>	<u>= \$ (5,462.50)</u>
Refund paid to Respondent Salomon Smith Barney n/k/a Citigroup Global Markets, Inc.	= \$ (262.50)

3. Respondents Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc., Jack B. Grubman, and John W. Hampton are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 787.50
Less payments by Respondent Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc.	= \$ (787.50)
Balance Due NASD Dispute Resolution	= \$ 0.00

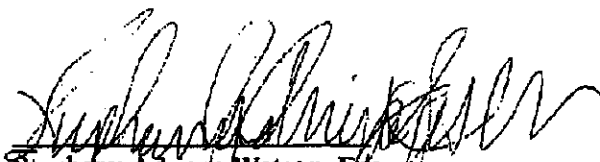
All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

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ARBITRATION PANEL

Stephany Adriene Watson, Esq.	-	Public Arbitrator, Presiding Chair
Bert P. Krages, II	-	Public Arbitrator
Ray A. Cox	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Stephany Adriene Watson, Esq.
Chair, Public Arbitrator


Signature Date

Bert P. Krages, II
Public Arbitrator

Signature Date

Ray A. Cox
Non-Public Arbitrator

Signature Date

12/6/04
Date of Service

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ARBITRATION PANEL

Stephany Adriene Watson, Esq.	-	Public Arbitrator, Presiding Chair
Bert P. Krages, II	-	Public Arbitrator
Ray A. Cox	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

 Stephany Adriene Watson, Esq.
 Chair, Public Arbitrator

 Signature Date

Bert P. Krages II
 Bert P. Krages, II
 Public Arbitrator

December 6, 2004
 Signature Date

 Ray A. Cox
 Non-Public Arbitrator

 Signature Date

12/6/04
 Date of Service

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ARBITRATION PANEL

Stephany Adriene Watson, Esq. -

Public Arbitrator, Presiding Chair

Bert P. Krages, II -

Public Arbitrator

Ray A. Cox -

Non-Public Arbitrator


Concurring Arbitrators' Signatures

Stephany Adriene Watson, Esq.
Chair, Public Arbitrator

Signature Date

Bert P. Krages, II
Public Arbitrator

Signature Date


Ray A. Cox
Non-Public Arbitrator

12-2-04
Signature Date

12/6/04
Date of Service

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Lawrence Chvilicek
[Claimant]

v.

Salomon Smith Barney, Inc.,
Jack Grubman and John Hampton, et al.
[Respondents]

Case Number: 03-03343

Hearing Site: Portland, Oregon

REPRESENTATION OF PARTIES

For Claimant(s):
Dr. Lawrence Chvilicek

Scott A. Shorr, Esq.
Emily Courtneage, Esq.
Stoll Stoll Berne Lokting & Shlachter
209 S.W. Oak Street
Portland, Oregon 97204

For Respondent(s):
Citigroup Global Markets Inc. f/k/a
Salomon Smith Barney Inc. d/b/a Smith
Barney, Jack Grubman, and John
Hampton.

Cameron Stout
Jody Willson
Keesal, Young & Logan
Four Embarcadero Center, Suite 1500
San Francisco, CA 94111

CASE INFORMATION

Statement of Claim filed: May 6, 2003

Claimant's Uniform Submission Agreement signed: June 26, 2003

Statement of Answer filed by Respondents Citigroup Global Markets Inc. f/k/a Salomon Smith Barney Inc. d/b/a Smith Barney ("CGMI"), Jack Grubman, and John Hampton ("Respondents"):
July 21, 2003

CASE SUMMARY

Claimant alleged, *inter alia*, that Respondents mishandled his IRA account by recommending investments that were not suitable for him and engaging in unauthorized transactions in his account.

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Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted a number of affirmative defenses including ratification, estoppel, assumption of risk, failure to exercise due diligence, comparative fault and failure to mitigate damages.

Claimant and Respondents have reached a settlement of this case whereby they have agreed to submit this Stipulated Award as part of that settlement, which includes expungement of Mr. Hampton's CRD records.

RELIEF REQUESTED

Claimant requested rescissory relief and/or compensatory damages plus interest, attorney fees, costs, expert witness fees and punitive damages.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety and an award of costs.

OTHER ISSUES CONSIDERED AND DECIDED

The parties agreed that the Award in this matter may be executed in counterpart copies, each of which shall be deemed an original, and will become effective and binding upon the parties at such time as all of the signatories hereto have signed a counterpart of this Award.

STIPULATION

It is hereby stipulated by Claimant and Respondents, through their undersigned attorneys of record, that:

1. All of Claimant's claims asserted against the Respondents are hereby dismissed with prejudice; and
2. Claimant does not object to the panel rendering the following award:

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent John Hampton's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, said Respondent must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and

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3. Each party will bear its own costs, including attorney's fees, except that CGMI will bear all of the forum costs or fees charged by the NASD in connection with any proceedings that occur in connection with this Stipulation, including any that occur in connection with CGMI's effort to obtain expungement of this matter from Mr. Hampton's CRD records.

AWARD

After considering the Stipulation, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. This arbitration claim is dismissed with prejudice as against all Respondents.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent John Hampton's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, said Respondent must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and
3. Each party will bear its own costs, including attorney's fees, except that CGMI will bear all of the forum costs or fees charged by the NASD in connection with any proceedings that occur in connection with this Stipulation, including any that occur in connection with CGMI's effort to obtain expungement of this matter from Mr. Hampton's CRD records.

Parties' Signatures

Dated: 7/19/04

Dated: 7/25/04



Scott A. Shorr

Emily Courtnage

Stoll Stoll Berne Lokting & Shlachter

Attorneys for Claimant

LAWRENCE CHVILICEK



Cameron Stout

Jody Willson

Keesal, Young & Logan

Attorneys for Respondents

CTIGROUP GLOBAL MARKETS INC.

F/K/A SALOMON SMITH BARNEY INC.

D/B/A SMITH BARNEY, JACK GRUBMAN,
AND JOHN HAMPTON