

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:
Joseph and Mary Arnold, Claimants,

Case Number: - 03-04221

Hearing Site: Indianapolis, Indiana

v.
Citigroup Global Markets, Inc.
f/k/a Salomon Smith Barney, Inc. and Ronald A. Hollinger,
Respondents.

NATURE OF THE DISPUTE

Customer vs. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Claimants, Joseph and Mary Arnold ("Arnold"), hereinafter collectively referred to as "Claimants":
Andrew J. Stoltmann, Esq. of Maddox Hargett & Caruso, P.C., located in Chicago, Illinois.

Respondents, Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc. ("Citigroup") and
Ronald A. Hollinger ("Hollinger"), hereinafter collectively referred to as "Respondents": H.
Nicholas Berberian, Esq. and Rawn Howard Reinhard, Esq. of Neal, Gerber & Eisenberg, LLP,
Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on or about: June 10, 2003

Claimants Arnold jointly signed the Uniform Submission Agreement: May 20, 2003

Statement of Answer jointly filed by Respondents Citigroup and Hollinger on or about: August
19, 2003

Respondent Citigroup signed the Uniform Submission Agreement: December 29, 2003

Respondent Arnold signed the Uniform Submission Agreement: December 23, 2003

CASE SUMMARY

Claimants asserted the following causes of action: State Securities Law Violations, violations of
NASD Conduct Rules, breach of contract, common law fraud and misrepresentation, breach of
fiduciary duty and constructive fraud, Respondeat Superior and negligence and negligent
supervision.

Unless specifically admitted in its Answer, Respondents denied the allegations of wrongdoing
set forth in the Statement of Claim and asserted the following defenses: failure to state a claim,
speculative and/or not cognizable damages; absence of proximate causation; statutes of
limitation; failure to mitigate; legal and equitable estoppel; and unavailability of attorneys' fees
and/or punitive damages.

RELIEF REQUESTED

Claimants requested \$743,085.00 for compensatory damages; unspecified punitive damages, costs and attorney fees.

Respondents Citigroup and Arnold requested dismissal of the Statement of Claim in its entirety and their costs of this action, including reasonable attorney's fees and costs.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) Any and all claims asserted in this matter against individual Respondent Ronald A. Hollinger have been withdrawn by Claimant at their election and are hereby dismissed with prejudice.
- 2.) At the parties' joint request, the Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Ronald A. Hollinger's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to *NASD Notice to Members 99-09*, Respondent Hollinger must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 3.) All claims against remaining Respondent, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., are hereby dismissed with prejudice pursuant to a settlement reached between the parties.
- 4.) Except as otherwise specified herein, parties shall bear their own costs, including attorneys' fees.
- 5.) Any and all relief not specifically addressed herein, including punitive damages, 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 = \$ 375.00

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. In this matter, Citigroup Global Markets, Inc. is a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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 a single arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: August 24, 2004 1 session

One (1) Pre-hearing session with Panel x \$1,200.00 = \$1,200.00
Pre-hearing conference: February 6, 2004 1 session

Total Forum Fees = \$1,650.00

The Panel assessed forum fees as follows:

Claimants shall pay 50% of the total forum fees in the amount of \$825.00; and
Respondents shall pay 50% of the total forum fees in the amount of \$825.00.

FEE SUMMARY

Claimants Arnold are hereby jointly liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 825.00
Total Fees	= \$1,200.00
Less payments	= \$1,575.00
Refund Due from NASD Dispute Resolution	= \$ 375.00

Respondent Citigroup is hereby solely liable for:

Member Fees	= \$7,000.00
Less payments	= \$7,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Citigroup and Hollinger, are hereby jointly and severally liable for:

Forum Fees	= \$ 825.00
Less payments	= \$ 825.00
Balance Due NASD Dispute Resolution	= \$ 0.00

All balances are due to NASD Dispute Resolution.

ARBITRATION PANEL

Brady J. Fletcher	-	Public Arbitrator, Presiding Chairperson
William H. Tobin, Esq.	-	Public Arbitrator
Thomas A. Welch	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ Brady J. Fletcher

Brady J. Fletcher

Public Arbitrator, Presiding Chair

5/24/05

Signature Date

/s/ William H. Tobin, Esq.

William H. Tobin, Esq.

Public Arbitrator

6/7/05

Signature Date

/s/ Thomas A. Welch

Thomas A. Welch

Non-Public Arbitrator

5/24/05

Signature Date

6/7/05

Date of Service (For NASD office use only)

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Concurring Arbitrators' Signatures

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Brady J. Fletcher
Public Arbitrator, Presiding Chair

5-24-05
Signature Date

William H. Tobin, Esq.
Public Arbitrator

Signature Date

Thomas A. Welch
Non-Public Arbitrator

Signature Date

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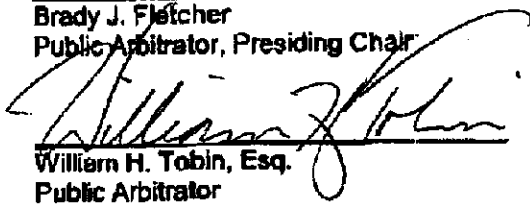
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William H. Tobin, Esq.
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6-7-2005

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Public Arbitrator, Presiding Chair

Signature Date

William H. Tobin, Esq.
Public Arbitrator

Signature Date

Thomas A. Welch, L.D.
Thomas A. Welch
Non-Public Arbitrator

May 24, 2005
Signature Date

Date of Service (For NASD office use only)