

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Russell Rudolph and Rosemarie Rudolph, JTWROS, Russell Rudolph IRA, and Rosemarie Rudolph (Claimants) v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and Glenn LeBoeuf (Respondents)

Case Number: 03-04654

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimants Russell Rudolph and Rosemarie Rudolph, JTWROS ("The Rudolphins"), Russell Rudolph IRA ("Russell Rudolph IRA"), and Rosemarie Rudolph ("Rosemarie Rudolph") hereinafter collectively referred to as "Claimants": George L. Mahr, III, Esq., George L. Mahr, P.C., Madison, NJ.

Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Glenn LeBoeuf ("LeBoeuf") hereinafter collectively referred to as "Respondents": Hugo A. Hilgendorff, IV, Esq., Bressler, Amery & Ross, P.C., Morristown, NJ. Previously represented by Ellen Slipp, Esq., Citigroup Global Markets, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: June 24, 2003.

Claimants signed the Uniform Submission Agreement: June 23, 2003.

Joint Statement of Answer filed by Respondents on or about: September 5, 2003.

Respondent Citigroup did not sign the Uniform Submission Agreement.

Respondent LeBoeuf did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability; misrepresentation; omission of material facts; failure to supervise; breach of fiduciary duty; violation of Section 10(b) and Rule 10b-5 of the Securities Exchange Act; and negligence and gross negligence. Claimants' claim involved mutual funds including, but not limited to, Smith Barney Aggressive Growth Fund CL L, Smith Barney Large Capitalization Growth Fund CL L, Salomon Brothers International Equity Fund CL 2, Smith Barney High Yield Bond Fund CL 2, Smith Barney Large Capitalization Growth Fund CL L, Smith Barney

Premier Selection All Cap Growth Fund Class L, Smith Barney Fundamental Value Fund, CL L, and Smith Barney Municipal Fund CL L.

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 in the amount of \$220,000.00, plus interest; punitive damages; attorneys' fees and costs; expert fees and costs; cost of suit, including reimbursement of the filing fee and hearing session fee; and such further relief as the Arbitrators may deem just and equitable.

Respondents requested that the Statement of Claim be dismissed with prejudice, and that Respondents be awarded their costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and, having answered the claim, and appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

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

AWARD

After considering the pleadings, and 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. Claimants' claims are dismissed in their entirety.
2. Respondent LeBoeuf's request for expungement is denied.
2. 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 = \$300.00

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, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. is a party.

Member surcharge = \$1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$2,750.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. 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:

One (1) Pre-hearing session with Panel @ \$1,125.00 = \$1,125.00
Pre-hearing conference: January 5, 2004 1 session

Two (2) Hearing sessions @ \$1,125.00 = \$2,250.00

Hearing Date: September 8, 2004 2 sessions

Total Forum Fees = \$3,375.00

1. The Panel has assessed \$1,687.50 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$1,687.50 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee = \$ 300.00
Forum Fees = \$1,687.50
Total Fees = \$1,987.50
Less payments = \$1,425.00
Balance Due NASD Dispute Resolution = \$ 562.50

2. Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$5,200.00
<u>Total Fees</u>	= \$5,200.00
<u>Less payments</u>	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$1,687.50
<u>Total Fees</u>	= \$1,687.50
<u>Less payments</u>	= \$ 650.00
Balance Due NASD Dispute Resolution	= \$1,037.50

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

NASD REGULATION

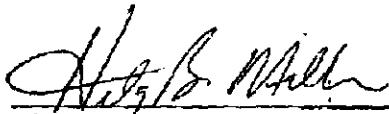
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ARBITRATION PANEL

Hilary B. Miller, Esq.	-	Public Arbitrator, Presiding Chairperson
Jimmy H.C. Wang	-	Public Arbitrator
Alice J. Dutton	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument in which is my award.



Hilary B. Miller, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Jimmy H.C. Wang
Public Arbitrator

Signature Date

Alice J. Dutton
Non-Public Arbitrator

Signature Date

September 16, 2004
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

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Jimmy H.C. Wang	-	Public Arbitrator
Alice J. Dutton	-	Non-Public Arbitrator

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Hilary B. Miller, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Jimmy H.C. Wang
Public Arbitrator

9/14/2004

Signature Date

Alice J. Dutton
Non-Public Arbitrator

Signature Date

September 16, 2004

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Hilary B. Miller, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Jimmy H.C. Wang
Public Arbitrator

Signature Date

Alice J. Dutton
Alice J. Dutton
Non-Public Arbitrator

9/9/04
Signature Date

September 16, 2004
Date of Service (For NASD Dispute Resolution use only)