
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

George C. Tunis
Mary V. Tunis
George C. Tunis III as Trustee for the Tunis
Family Trust (Irrevocable) dated 2/29/00

Case Number: 03-05479

Name of the Respondents

Citigroup Global Markets
f/k/a Salomon Smith Barney
Joseph S. Jones
Christopher David Sinkula

Hearing Site: Boca Raton, Florida

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

REPRESENTATION OF PARTIES

For George C. Tunis, Mary V. Tunis and George C. Tunis III as Trustee for the Tunis Family Trust (Irrevocable) dated 2/29/00 ("Tunis Trustee"), hereinafter referred to collectively as "Claimants": Joseph R. Biden III, Bifferato, Gentilotti & Biden, P.A., Wilmington, Delaware.

For Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup"), Joseph S. Jones ("Jones") and Christopher David Sinkula ("Sinkula"), hereinafter referred to collectively as "Respondents": Neil Solomon, Esq., and Tucker Byrd, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: July 25, 2003.

Amended Statement of Claim filed on or about: December 22, 2003.

Reply Brief in Response to Defendants' Answer and Affirmative Defenses to Claimants' Statement of Claim filed on or about: January 12, 2004.

Claimants George C. Tunis and Mary V. Tunis signed but did not date the Uniform Submission Agreement. Claimant Tunis Trustee did not submit a Uniform Submission Agreement.

Answer and Affirmative Defenses to Claimants' Statement of Claim filed on or about: October 29, 2003.

Answer and Affirmative Defenses to Claimants' Amended Statement of Claim filed on or about: April 19, 2004.

Respondents' Notice of Intention to Seek Attorneys' Fees filed on or about: July 12, 2004.

Respondent Citigroup signed the Uniform Submission Agreement: October 30, 2003.

Respondent Jones signed the Uniform Submission Agreement: October 28, 2003.

Respondent Sinkula signed the Uniform Submission Agreement: October 29, 2003.

CASE SUMMARY

Claimants alleged the following causes of action: 1) fraud, misrepresentations and omissions of material facts; 2) breach of fiduciary duty; 3) unsuitability; 4) breach of contract and the implied covenant of good faith and fair dealing; 5) negligence; 6) failure to supervise; and, 7) violations of sections 517.301 and 517.211, Florida Statutes. The causes of action relate to investments in shares of telecom stocks, including but not limited to WorldCom, Rhythms NetConnections and AT&T.

Unless specifically admitted in its Answers, Respondents denied the allegations made in the Statement of Claim and Amended Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimants requested: 1) compensatory damages in an amount in excess of \$280,000.00; 2) treble damages in accordance with state and federal law; 3) punitive damages; 4) costs, attorneys' fees and expert witness fees; and, 5) such additional relief as the nature of the case may require.

Respondents requested that the Amended Statement of Claim be dismissed with its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

During the evidentiary hearing an oral amendment was made to the pleadings, adding as an additional claimant George C. Tunis III as Trustee for the Tunis Family Trust (Irrevocable) dated 2/29/00. There were no objections to the amendment.

During the evidentiary hearing Respondent Jones moved to be dismissed as a party at the close of Claimants' case. Claimants' concurred and the motion was granted.

During the evidentiary hearing Respondents moved to dismiss Count Six (violations of sections 517.301 and 517.211, Florida Statutes) of the Amended Statement of Claim. Claimants concurred and the motion was granted.

The parties 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, 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:

Claimants' claims are denied in their entirety.

Claimants' claim for attorneys' fees with respect to Count Six are denied

Respondents' claim for attorneys' fees with respect to Count Six are denied.

Costs are to be borne as incurred by each respective party.

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Jones' registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Jones must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive. The expungement order is based on the defamatory nature of the information in the CRD system.

Any and all claims for relief not specifically addressed herein, including Claimants' request for treble damages, punitive damages, attorneys' fees and expert witness fees, and Respondents request for attorneys' fees, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$375.00
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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 person at the time of the events giving rise to the dispute. Accordingly, Respondent is a member firm and a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$4,000.00</u>
Total Member Fees	= \$7,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings.

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:

There were no three-day cancellation fees assessed during these proceedings.

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.

There were no injunctive relief fees assessed during these proceedings.

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 @ \$1,200.00 per session	= \$ 1,200.00
Pre-hearing conference: March 8, 2004 1 session	

Six (6) Hearing sessions @ \$1,200.00 per session	= \$ 7,200.00
Hearing Dates: March 22, 2005 2 sessions	
March 23, 2005 2 sessions	
March 24, 2005 2 sessions	

Total Forum Fees	= \$ 8,400.00
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The Panel has assessed forum fees in the amount of \$4,200.00 to Claimants, jointly and severally.
The Panel has assessed forum fees in the amount of \$4,200.00 to Respondent Citigroup.
No forum fees have been assessed against Respondent Sinkula.

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

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants are solely liable, jointly and severally, for:

Initial Claim Filing Fee	= \$ 375.00
Forum Fees	= \$ 4,200.00
Total Fees	= \$ 4,575.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 3,000.00

Respondent Citigroup is solely liable for:

Member Fees	= \$ 7,000.00
Forum Fees	= \$ 4,200.00
Total Fees	= \$11,200.00
Less payments	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 4,200.00

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

ARBITRATION PANEL

<i>Myron S. Dunay, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Don R. Harris</i>	-	<i>Public Arbitrator</i>
<i>Gustavus L. Pearthree</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
Myron S. Dunay, Esq.
Public Arbitrator, Presiding Chairperson

4/4/2005
Signature Date

/s/
Don R. Harris
Public Arbitrator

4/1/2005
Signature Date

/s/
Gustavus L. Pearthree
Non-Public Arbitrator

4/4/2005
Signature Date

4/5/2005
Date of Service (For NASD Dispute Resolution office use only)

APR. 1. 2005 12:34PM

NASD REGULATIONS

NO. 351

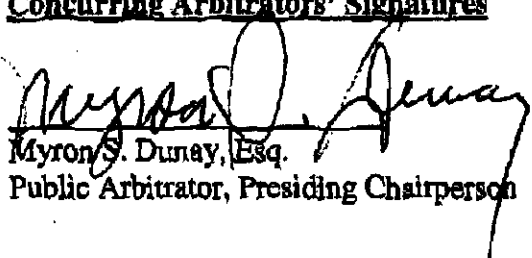
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Myron S. Dunay, Esq.
Signature Date

Public Arbitrator, Presiding Chairperson

Don R. Harris

Signature Date

Public Arbitrator

Gustavus L. Pearthree

Signature Date

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Signature Date

4/1/05

*Don R. Harris**Public Arbitrator*

Signature Date

*Gustavus L. Pearthree**Non-Public Arbitrator*

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<i>Don R. Harris</i>	-	<i>Public Arbitrator</i>
<i>Gustavus L. Pearthree</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

Myron S. Dunay, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Don R. Harris
Public Arbitrator

Signature Date


Gustavus L. Pearthree
Non-Public Arbitrator

4/04/2005
Signature Date

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