

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Mark A. Riely (Claimant) v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. (Respondent) v. CRT Capital Group, LLC and Hill, Thompson, Magid & Co. (Respondents)

Case Number: 03-05665

Hearing Site: New York, New York

Nature of the Dispute: Customer v. Member (Initial Claim)
Member v. Members (Third-Party Claim)

REPRESENTATION OF PARTIES

Claimant Mark A. Riely ("Riely") hereinafter referred to as "Claimant": Howard L. Simon, Esq., previously represented by Jon D. Kaplon, Esq., Brauner, Baron, Rosenzweig, & Klein, LLP, New York, NY.

Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") hereinafter referred to as "Respondent": David H. Herrington, Esq., Cleary, Gottlieb, Steen & Hamilton, New York, NY.

Third-Party Respondent CRT Capital Group, LLC ("CRT"): Jay Strum, Esq., Kaye Scholer, LLP, New York, NY.

Third-Party Respondent Hill, Thompson, Magid & Co., Inc. ("Hill Thompson"): Joseph B. Shumofsky, Esq., Dorsey & Whitney, LLP, New York, NY.

CRT and Hill Thompson are hereinafter collectively referred to as "Third-Party Respondents".

CASE INFORMATION

Statement of Claim filed on or about: August 1, 2003.

Claimant signed the Uniform Submission Agreement: July 31, 2003.

Statement of Answer and Third-Party Claims filed by Respondent Citigroup on or about: October 15, 2003.

Respondent Citigroup signed the Uniform Submission Agreement: October 14, 2003.

Statement of Answer filed by Third-Party Respondent CRT on or about: December 1, 2003.

Third-Party Respondent CRT signed the Uniform Submission Agreement: November 7, 2003.

Statement of Answer filed by Third-Party Respondent Hill Thompson on or about: December 1, 2003.

Third-Party Respondent Hill Thompson signed the Uniform Submission Agreement: December 1, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: violations of Uniform Practice Code; breach of contract/breach of agency; tortious interference with contractual relations; conversion; misrepresentation; replevin; breach of covenant of good faith, fair dealing, and fiduciary duty; and unauthorized transactions. Claimant's claim involved shares of NTL.

Unless specifically admitted in its Answer, Respondent Citigroup denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In its Third-Party Claim, Respondent asserted the following cause of action: indemnification.

Unless specifically admitted in its Answer, Third-Party Respondent CRT denied the allegations made in the Third-Party Claim.

Unless specifically admitted in its Answer, Third-Party Respondent Hill Thompson denied the allegations made in the Third-Party Claim.

RELIEF REQUESTED

Claimant requested that the Panel declare that the NASD UPA issued on January 14, 2003 governs and controls the disposition of Claimant's When Issued Contracts; order the return and replevin of 51,000 shares of NTL stock; compensatory damages in the amount of \$2,000,000.00; punitive damages in the amount of \$2,000,000.00; attorneys' fees, costs, and disbursements; and such other relief as is deemed just and proper.

Respondent Citigroup requested that the Panel deny the claims of Claimant; or if any relief is granted to Claimant against Citigroup, that the Panel grant the same relief to Citigroup on its Third-Party Claims; attorneys' fees, costs, and disbursements; and such other relief as is deemed just and proper.

Third-Party Respondent CRT requested dismissal of the claims against CRT, and allow the Supreme Court of the State of New York decide the issues; a judgment that all trades should have been adjusted and settled on a basis to reflect the 1-for-4 reverse stock split and that provides closure for sales that have settled on an adjusted basis; attorneys' fees, costs, and disbursements; and such other relief as is just and proper.

Third-Party Respondent Hill Thompson requested dismissal of the Third-Party Claims.

OTHER ISSUES CONSIDERED AND DECIDED

A telephonic pre-hearing conference was held on September 24, 2004 to discuss Respondent Citigroup's and Third-Party Respondents' motions for summary judgment and dismissal. After having duly deliberated, the Panel determined that the motions for summary judgment are granted and Claimant's claims are dismissed in their entirety.

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, the testimony and evidence presented at the pre-hearing conferences, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are dismissed in their entirety.
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	= \$ 600.00
Third-Party Claim filing fee	= \$2,000.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Citigroup Global Markets, Inc. is a party.

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

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, CRT Capital Group, LLC is a party.

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

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Hill, Thompson, Magid & Co., L.P. is a party.

Member surcharge = \$2,800.00

Pre-hearing process fee = \$ 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:

Three (3) Pre-hearing sessions with Panel @ \$1,200.00 = \$3,600.00

Pre-hearing conferences: April 8, 2004 1 session

June 2, 2004 1 session

September 24, 2004 1 session

Total Forum Fees = \$3,600.00

1. The Panel has assessed \$900.00 of the forum fees against Claimant.
2. The Panel has assessed \$900.00 of the forum fees against Respondent Citigroup.
3. The Panel has assessed \$900.00 of the forum fees against Third-Party Respondent CRT.
4. The Panel has assessed \$900.00 of the forum fees against Third-Party Respondent Hill Thompson.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee = \$ 600.00

Forum Fees = \$ 900.00

Total Fees = \$1,500.00

Less payments = \$1,800.00

Refund Due Claimant = \$ 300.00

2. Respondent Citigroup is solely liable for:

Third-Party Claim Filing Fee = \$2,000.00

Member Fees = \$3,550.00

Forum Fees = \$ 900.00

Total Fees = \$6,450.00

Less payments = \$7,500.00

Refund Due Citigroup = \$1,050.00

3. Third-Party Respondent CRT is solely liable for:

Member Fees	= \$3,550.00
<u>Forum Fees</u>	= \$ 900.00
Total Fees	= \$4,450.00
<u>Less payments</u>	= \$3,550.00
Balance Due NASD Dispute Resolution	= \$ 900.00

4. Third-Party Respondent Hill Thompson is solely liable for:

Member Fees	= \$3,550.00
<u>Forum Fees</u>	= \$ 900.00
Total Fees	= \$4,450.00
<u>Less payments</u>	= \$3,550.00
Balance Due NASD Dispute Resolution	= \$ 900.00

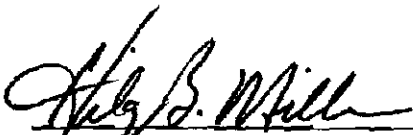
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Hilary B. Miller, Esq.	-	Public Arbitrator, Presiding Chairperson
Lisa A. Ndiaye	-	Public Arbitrator
Donald Raymond McNally	-	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

9/29/04

Signature Date

Lisa A. Ndiaye
Public Arbitrator

Signature Date

Donald Raymond McNally
Non-Public Arbitrator

Signature Date

October 7, 2004

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

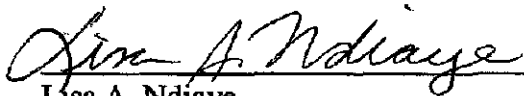
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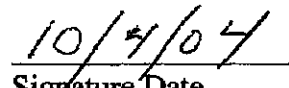
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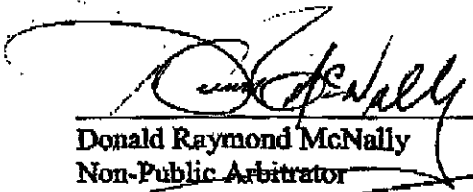
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Signature Date

Lisa A. Ndiaye
Public Arbitrator

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Donald Raymond McNally
Non-Public Arbitrator

9/30/04

Signature Date

October 7, 2004

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