

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Names of Claimants

Carol J. Reynolds,
Estate of Charles Lee Reynolds, Jr., and
Charles L. Reynolds, Jr., M.D. Profit Sharing Plan

vs.

03-05718
Oklahoma City, Oklahoma

Name of Respondent

Citigroup Global Markets, Inc.
f/n/a Salomon Smith Barney Inc.

Nature of the Dispute: Customers vs. Member Firm

REPRESENTATION OF PARTIES

Carol J. Reynolds, Estate of Charles Lee Reynolds, Jr., and Charles L. Reynolds, Jr., M.D. Profit Sharing Plan, hereinafter collectively referred to as ("**Claimants**"), were represented by Stephen A. Zrenda, Jr., Esq., Stephen A. Zrenda, Jr., P.C. Oklahoma City, Oklahoma.

Citigroup Global Markets, Inc. ("**Respondent**") was represented by Michael C. Farkas, Esq., Citigroup Global Markets, Inc., New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about August 5, 2003. Submission Agreements of Claimants, Carol J. Reynolds, Estate of Charles Lee Reynolds, Jr., and Charles L. Reynolds, Jr., M.D. Profit Sharing Plan were signed on or about July 31, 2003.

The Statement of Answer was filed by Respondent, Citigroup Global Markets, Inc., on or about October 6, 2003. Submission Agreement of Respondent, Citigroup Global Markets, Inc., was signed on or about October 3, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty, conversion of personal property, breach of duty of good faith and fair dealing (contract), and Violations of the NASD Rules of the Association (conduct rules). Claimants alleged that the Respondents failed to liquidate the account of the Profit Sharing Plan after the death of Dr. Reynolds and distribute the property to Mrs.

Reynolds, which caused her to lose monetary damages and other consequential damages. The causes of action related the failure to follow instructions of Mrs. Reynolds and her representative to close the account of the Profit Sharing Plan.

Unless specifically admitted in its Answer, Respondent Citigroup Global Markets, Inc. denied the allegations made in the Statement of Claim and asserted the following defenses: Respondent states that the claim failed to state a cause of action upon which can be granted; Respondent states that the damages for which Claimants seek to hold Respondent liable resulted in whole or in part from Claimants' own acts or omissions, and Respondent is not responsible for or liable to the Claimants for her own negligent acts or omissions; and Respondent states that the damages for which Claimants seek to hold Respondent liable were proximately caused by Claimants' failure to use reasonable means to mitigate damages.

RELIEF REQUESTED

Claimants requested an award of \$433,000.00, plus punitive damages of \$200,000.00. Claimants also requested interest of \$88,620.00, attorney's fees of \$25,000.00 and any other relief that the Panel may find that the Claimants are entitled to.

Respondent requested that the claims asserted against them be denied in their entirety and that the costs associated with the arbitration proceeding assessed against the Claimants.

OTHER ISSUES CONSIDERED & DECIDED

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims, each and all, against Respondent, Citigroup Global Markets, Inc., are dismissed with prejudice;
2. To the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice; and
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain 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 event giving rise to the dispute. In this matter, the member firm is Citigroup Global Markets, Inc.

Member surcharge	\$	2,250.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	4,000.00
Total Member Fees	\$	7,000.00

Forum Fees and Assessments

The Arbitration 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:

1 Pre-hearing session with One Arbitrator	x	450.00	450.00
October 18, 2004			
1 Pre-hearing session with Panel	x	1,200.00	\$ 1,200.00
July 28, 2004	1 session		
2 Hearing sessions	x	1,200.00	\$ 2,400.00
October 19, 2004	2 sessions		
Total Forum Fees			\$ 4,050.00

The Arbitration Panel has assessed \$4,050.00 of the forum fees to Citigroup Global Markets, Inc.

Fee Summary

Claimants, Carol J. Reynolds, Estate of Charles Lee Reynolds, Jr., and Citigroup Global Markets, Inc., are jointly and severally liable for:

<u>Initial Filing Fees</u>	= \$	375.00
<u>Total Fees</u>	= \$	375.00
<u>Less payments</u>	= \$	-1,575.00
Refund due to the Claimants	= \$	1,200.00

Respondent, Citigroup Global Markets, Inc., is liable for:

<u>Member Fees</u>	= \$	7,000.00
<u>Forum Fees</u>	= \$	4,050.00
<u>Total Fees</u>	= \$	11,050.00
<u>Less payments</u>	= \$	-7,000.00
Balance Due NASD Dispute Resolution	= \$	4,050.00

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

ARBITRATION PANEL

James E. Golden, Jr., Esq. - Public Arbitrator, Presiding Chair
Rowland Denman - Public Arbitrator
Robert G. Rader - Non-Public Arbitrator

Concurring Arbitrators:

/s/ James E. Golden, Jr., Esq.
James E. Golden, Jr., Esq.
Public Arbitrator, Presiding Chair

11/03/04
Signature Date

/s/ Rowland Denman
Rowland Denman
Public Arbitrator

11/03/04
Signature Date

/s/ Robert G. Rader
Robert G. Rader
Non-Public Arbitrator

11/04/04
Signature Date

11/04/04
Date of service

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Public Arbitrator, Presiding Chair

11/3/04
Signature Date

Rowland Denman
Public Arbitrator

Signature Date

Robert G. Rader
Non-Public Arbitrator

Signature Date

Date of service

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Rowland Denman - Public Arbitrator
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Concurring Arbitrators:

James E. Golden, Jr., Esq.
Public Arbitrator, Presiding Chair


Rowland Denman
Public Arbitrator

Signature Date

Nov 3, 2004
Signature Date

Robert G. Rader
Non-Public Arbitrator

Signature Date

Date of service

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Concurring Arbitrators:

James E. Golden, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

Rowland Denman
Public Arbitrator

Signature Date



Robert G. Rader
Non-Public Arbitrator

11-4-04

Signature Date

Date of service