
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Clarence Geyer
Patricia Geyer

Case Number: 03-05751

Names of the Respondents

Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney
Scott Housel
Chris Desimio

Hearing Site: Orlando, Florida

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

REPRESENTATION OF PARTIES

For Clarence Geyer and Patricia Geyer, hereinafter collectively referred to as "Claimants": John N. Upchurch, Esq., Heebner, Baggett & Upchurch, Daytona Beach, Florida.

For Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney ("Citigroup"), Scott Housel ("Housel") and Chris Desimio ("Desimio"), hereinafter collectively referred to as "Respondents": Joseph C. Coates, III, Esq., Greenberg Traurig, West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: August 6, 2003.

Claimants signed the Uniform Submission Agreement: May 22, 2003.

Statement of Answer filed by Respondents on or about: October 3, 2003.

Respondent Citigroup signed the Uniform Submission Agreement: October 2, 2003.

Respondent Housel signed the Uniform Submission Agreement: October 24, 2003.

Respondent Desimio signed the Uniform Submission Agreement: October 1, 2003.

CASE SUMMARY

Claimants alleged the following causes of action: suitability violations; failure to supervise; breach of fiduciary duty; and negligence. The causes of action relate to Claimants' investments in various growth mutual funds, including Washington Mutual, Oppenheimer Growth, Growth Fund of America, Euro Pacific Growth and New Perspective Fund, and Oppenheimer Main Street Growth and Income, various unspecified annuities; and various common stocks including Forest Laboratories, Enron and Hong Kong & China Gas LTD.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimants requested an award of the following damages against Respondents, jointly and severally:

- 1) Compensatory damages in the amount of \$1,400,000.00 with interest continuing to accumulate at the rate of 7%, compounded quarterly, from March 1, 2001, to the date of the award;
- 2) The return of all of the investment advisors' fees remitted to Citigroup;
- 3) The costs and expenses of this action, including filing fees, hearing fees, expert witness fees, and any and all other relief as may be determined by the Panel; and,
- 4) Pursuant to Florida Statute Section 517.211, attorney's fees and costs.

Claimants requested compensatory damages in the amount of \$390,175.00 at the hearing.

Respondents requested that the Statement of Claim be, in all respects, dismissed. In addition, at the hearing, Respondents requested that Central Registration Depository ("CRD") records of Respondents Housel and Desimio be expunged of all references to this matter.

OTHER ISSUES CONSIDERED AND DECIDED

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, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

On Claimants' Statement of Claim, the Panel finds against Claimants and in favor of Respondents.

The Panel unanimously recommends that all references to the above-captioned arbitration be expunged from Respondents Housel and Desimio's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Housel and Desimio must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Any and all claims for relief not specifically addressed herein, including Claimants' claims for attorney's fees and costs pursuant to Florida Statute Section 517.211, 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 = \$500.00

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, Respondent Citigroup is a member firm and a party.

Member Surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$5,000.00</u>
Total Member Fees	= \$8,550.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments granted during these proceedings for which fees were assessed.

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:

Three-day cancellation fees were not assessed in this matter.

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 the Panel @ \$1,200.00 per session	= \$1,200.00
Pre-hearing conference: March 2, 2004 1 session	
Five (5) Hearing sessions @ \$1,200.00 per session	= \$6,000.00
Hearing Dates: January 24, 2005 2 sessions	
January 25, 2005 3 sessions	
<hr/> Total Forum Fees	<hr/> = \$7,200.00

The Panel has assessed forum fees in the amount of \$3,600.00 to Claimants, jointly and severally.

The Panel has assessed forum fees in the amount of \$3,600.00 to Respondent Citigroup.

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 jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	<u>= \$ 3,600.00</u>
Total Fees	= \$ 4,100.00
<u>Less payments</u>	<u>= \$ 1,700.00</u>
Balance Due NASD Dispute Resolution	= \$ 2,400.00

Respondent Citigroup is solely liable for:

Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	<u>= \$ 3,600.00</u>
Total Fees	= \$12,150.00
<u>Less payments</u>	<u>= \$ 8,550.00</u>
Balance Due NASD Dispute Resolution	= \$ 3,600.00

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

ARBITRATION PANEL

Richard J. Fuller, CPA	-	Public Arbitrator, Presiding Chairperson
W. A. Westlake	-	Public Arbitrator
Elizabeth A. Akom	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/s/_____
Richard J. Fuller, CPA
Public Arbitrator, Presiding Chairperson

Signature Date

_____/s/_____
W. A. Westlake
Public Arbitrator

Signature Date

NASD Dispute Resolution

Arbitration No. 03-05751

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/s/

Elizabeth A. Akom

Non-Public Arbitrator

Signature Date

February 3, 2005

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

The Panel has assessed forum fees in the amount of \$3,600.00 to Respondent Citigroup.

Administrative Costs

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W. A. Westlake
Elizabeth A. Akom

Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures


Richard J. Fuller, CPA
Public Arbitrator, Presiding Chairperson


Signature Date

W. A. Westlake
Public Arbitrator

Signature Date

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The Panel has assessed forum fees in the amount of \$3,600.00 to Respondent Citigroup.

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.

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W. A. Westlake	-	Public Arbitrator
Elizabeth A. Akom	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Richard J. Fuller, CPA
Public Arbitrator, Presiding Chairperson

Signature Date


W. A. Westlake
Public Arbitrator

02/02/2005
Signature Date

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Arbitration No. 03-05751
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Elizabeth A. Akon
Non-Public Arbitrator

2/2/05
Signature Date

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