

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Everett Carbajal and Everett Carbajal IRA (Claimants) v. Citigroup Global Markets, Inc.
f/k/a Salomon Smith Barney, Inc. (Respondent)

Case Number: 03-05965

Hearing Site: New York, New York

Nature of the Dispute: Customers v. Member.

REPRESENTATION OF PARTIES

Claimants Everett Carbajal ("Carbajal") and Everett Carbajal IRA ("Carbajal IRA") hereinafter collectively referred to as "Claimants": Howard Sirota, Esq., Sirota & Sirota, LLP, New York, NY.

Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") hereinafter referred to as "Respondent": David Stein, Esq., Luboja & Thau, LLP, New York, NY. Previously represented by: Sean J. Coughlin, Esq., Citigroup Global Markets, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: August 13, 2003.

Claimants signed the Uniform Submission Agreement: August 1, 2003.

Statement of Answer filed by Respondent on or about: October 10, 2003.

Respondent signed the Uniform Submission Agreement: December 10, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability; excessive speculative trading on margin; omission of material facts; misrepresentation; failure to supervise; and respondeat superior. Claimants' claim involved unspecified common stock.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$1,200,000.00; punitive damages in the amount of \$10,000,000.00; costs and expenses, including reasonable

attorneys' fees; and such other and further relief as may be needed.

Respondent requested that the Statement of Claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

By letter dated July 30, 2004 the parties were notified that arbitrator Kenneth Diamond's classification had changed from that of a non-public to public arbitrator. The parties confirmed in writing that they did not object to the panel's composition.

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. Respondent is liable for and shall pay to Claimant Carbajal compensatory damages in the amount of \$80,000.00.
2. Respondent is liable for and shall pay to Claimants the sum of \$600.00, to reimburse Claimants for the filing fee previously paid to NASD Dispute Resolution.
3. 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
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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 persons 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	= \$3,750.00
Pre-hearing process fee	= \$ 750.00

Hearing process fee = \$5,500.00

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 @ \$1,200.00 = \$ 1,200.00

Pre-hearing conference: January 7, 2004 1 session

Eight (8) Hearing sessions @ \$1,200.00 = \$ 9,600.00

Hearing Dates: June 23, 2004 2 sessions
June 24, 2004 2 sessions
June 25, 2004 2 sessions
July 8, 2004 2 sessions

Total Forum Fees = \$10,800.00

1. The Panel has assessed \$10,800.00 of the forum fees against Respondent.

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.

1. Respondent requested duplication of hearing tapes = \$180.00

Fee Summary

1. Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 600.00
Total Fees	= \$ 600.00
<u>Less payments</u>	= \$ 1,800.00
Refund Due Claimants	= \$ 1,200.00

As stated in the "Award" section above, Respondent is liable for and shall reimburse Claimants for the \$600.00 non-refundable filing fee.

2. Respondent is solely liable for:

Member Fees	= \$10,000.00
Forum Fees	= \$10,800.00
<u>Administrative Costs</u>	= \$ 180.00
Total Fees	= \$20,980.00

<u>Less payments</u>	<u>= \$10,180.00</u>
Balance Due NASD Dispute Resolution	= \$10,800.00


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

ARBITRATION PANEL

Kenneth M. Felder	-	Public Arbitrator, Presiding Chairperson
Thomas D. Giordano, Esq.	-	Public Arbitrator
Kenneth Diamond, Esq.	-	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.


Kenneth M. Felder
Public Arbitrator, Presiding Chairperson

8/04/04
Signature Date

Thomas D. Giordano, Esq.
Public Arbitrator

Signature Date

Kenneth Diamond, Esq.
Public Arbitrator

Signature Date

August 9, 2004

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL


Kenneth M. Felder	-	Public Arbitrator, Presiding Chairperson
Thomas D. Giordano, Esq.	-	Public Arbitrator
Kenneth Diamond, Esq.	-	Public Arbitrator

Concurring Arbitrators' Signatures

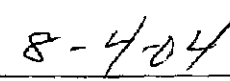
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Signature Date



Thomas D. Giordano, Esq.
Public Arbitrator



Signature Date

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