

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Names of Claimants

Efrain E. Cardenas-Zavala
and Efrain Cardenas-Reyes

and

Case Number: 03-05989
Hearing Site: Houston, Texas

Names of Respondents

Citigroup Global Markets, Inc.
and Carlos Alvarado, Jr.

NATURE OF CASE

Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

Efrain E. Cardenas-Zavala and Efrain Cardenas-Reyes ("**Claimants**") were represented by Thomas D. Kennedy, Esq., Johnson DeLuca Kennedy & Kurisky, Houston, Texas.

Citigroup Global Markets, Inc. ("**Citigroup**") and Carlos Alvarado, Jr. ("**Alvarado**"), hereinafter collectively referred to as "Respondents," were represented by Thomas D. Cordell, Esq., Haynes and Boone, LLP, Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about August 19, 2003. The Uniform Submission Agreement of Claimants, Efrain E. Cardenas-Zavala and Efrain Cardenas-Reyes, were signed on or about August 15, 2003.

The Joint Statement of Answer was filed by Respondents, Citigroup Global Markets, Inc. and Carlos Alvarado, on or about October 23, 2003. The Uniform Submission Agreement of Respondent, Citigroup Global Markets, Inc., was signed on or about October 23, 2003. The Uniform Submission Agreement of Respondent, Carlos Alvarado, was signed on October 22, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: violation of the Texas Deceptive Trade Practices Act; breach of contract; negligence, unsuitability; and unauthorized trading. The causes of action related to Claimants' brokerage account with Respondent, Citigroup Global Markets, Inc.

Unless specifically admitted in their Answer, Respondents, Citigroup Global Markets, Inc. and Carlos Alvarado, Jr., denied the allegations made in the Statement of Claim and asserted the following defenses: Each of the investments in Claimants' account were within the risk tolerance and investment objectives identified for that account and were consistent with the investment history, practices and strategy of Mr. Cardenas-Zavala; Claimants are not entitled to assert any claim against Respondents under the Texas Deceptive Trade Practices Act; all duties owed to Claimants by Respondents were fully and completely fulfilled; Claimants fail to state a claim upon which relief can be granted; all actions taken by Respondents with respect to Claimants' account were either directed or authorized by Claimants, or consented to or approved by Claimants, after reasonable and appropriate notification and disclosure; all actions taken by Respondents with respect to Claimants' account were authorized or consistent with applicable laws, statutes, regulations, procedures, standards, practices and/or guidelines; Respondents acted with responsible and proper care at all times in connection with Claimants' account; any losses sustained by Claimants were the result of Claimants' own acts or omissions; and the damages claimed by Claimants are barred by Claimants' contributory negligence or their assumption of risks involved.

RELIEF REQUESTED

Claimants requested an award in the amount of:

Actual/Compensatory Damages	\$250,000
Punitive/Exemplary Damages	\$500,000
Interest	Unspecified
Attorneys' fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs, attorneys' fees, and that all reference to this matter be expunged from the CRD record of Carlos Alvarado, Jr.

OTHER ISSUES CONSIDERED & DECIDED

Claimants voluntarily dismissed the claims asserted against Carlos Alvarado on or about October 29, 2004 prior to any hearing. Claimants have informed NASD Dispute Resolution that the remaining claims have been fully settled, resolved and compromised. Pursuant to the settlement between Claimants and Citigroup Global Markets, Inc., the parties have requested that the undersigned arbitrators enter a Stipulated Award expunging any references to this case and claim from the NASD Central Registration Depository ("CRD") record of Carlos Alvarado.

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 originals remain on file with the NASD Dispute Resolution ("NASD").

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) Claimants' claims against Respondents, Citigroup Global Markets, Inc. and Carlos Alvarado, are dismissed with prejudice;
- 2.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent, Carlos Alvarado, Jr.'s, registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent, Carlos Alvarado, Jr., must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 3.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 4.) Any and all relief not specifically addressed herein, including attorneys' fees and costs is denied and all claims are dismissed with prejudice.

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 events 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

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:

One (1) Pre-hearing session with Panel x \$1,200.00 = \$1,200.00
Pre-hearing conference: February 24, 2004 1 session

Total Forum Fees = \$1,200.00

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Efrain E. Cardenas-Zavala and Efrain Cardenas-Reyes.

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Respondents.

Fee Summary

Claimants, Efrain E. Cardenas-Zavala and Efrain Cardenas-Reyes, jointly and severally are liable for:

Initial Filing Fee = \$ 375.00

Forum Fees	= \$ 600.00
Total Fees	= \$ 975.00
Less payments	= \$1,575.00
Refund to Claimants	= \$ 600.00

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

Member Fees	= \$7,000.00
Total Fees	= \$7,000.00
Less payments	= \$9,900.00
Refunded to Respondent	= \$2,900.00

Respondents, Citigroup Global Markets, Inc. and Carlos Alvarado, Jr., are jointly and severally liable for:

Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
Less Payments	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Walton L. Huff - Public Arbitrator, Presiding Chair
Frank M. Romano - Public Arbitrator
Nathan Levy - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Walton L. Huff
Walton L. Huff
Public Arbitrator, Presiding Chair

June 10, 2005
Signature Date

/s/ Frank M. Romano
Frank M. Romano
Public Arbitrator

June 10, 2005
Signature Date

/s/ Nathan Levy
Nathan Levy
Non-Public Arbitrator

June 9, 2005
Signature Date

June 13, 2005
Date of Service (For NASD office use only)

Forum Fees	= \$ 600.00
Total Fees	= \$ 975.00
Less payments	= \$1,575.00
Refund to Claimants	= \$ 600.00

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

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Frank M. Romano - Public Arbitrator
Nathan Levy - Non-Public Arbitrator

Concurring Arbitrators:


Walton L. Huff
Public Arbitrator, Presiding Chair

6/10/05
Signature Date

Frank M. Romano
Public Arbitrator

Signature Date

Nathan Levy
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Forum Fees	= \$ 800.00
Total Fees	= \$ 975.00
Less payments	= \$1,575.00
Refund to Claimants	= \$ 600.00

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

Member Fees	= \$7,000.00
Total Fees	= \$7,000.00
Less payments	= \$9,900.00
Refunded to Respondent	= \$2,900.00

Respondents, Citigroup Global Markets, Inc. and Carlos Alvarado, Jr., are jointly and severally liable for:

Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
Less Payments	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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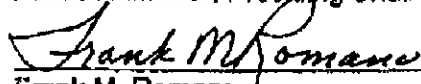
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Walton L. Huff
Public Arbitrator, Presiding Chair

Signature Date


Frank M. Romano
Public Arbitrator

6/10/05
Signature Date

Nathan Levy
Non-Public Arbitrator

Signature Date

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Concurring Arbitrators:

Walton L. Huff
Public Arbitrator, Presiding Chair

Signature Date

Frank M. Romano
Public Arbitrator

Signature Date

Nathan Levy
Non-Public Arbitrator

6/9/05

Signature Date

Date of Service (For NASD office use only)