

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Fred G. Kluglein

Case Number: 03-06231

Names of the Respondents
Citigroup Global Markets, Inc.
Nadav Baum

Hearing Site: Pittsburgh, Pennsylvania

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

REPRESENTATION OF PARTIES

Claimant, Fred G. Kluglein, hereinafter referred to as "Claimant", was represented by Peter B. Skeel, Esq., Summer, McDonnell, Walsh & Skeel, LLP, Pittsburgh, Pennsylvania.

Respondents, Citigroup Global Markets, Inc., ("Citigroup"), and Nadav Baum ("Baum"), hereinafter referred to as "Respondents", were represented by Jennifer R. Schoen, Esq., Neal, Gerber & Eisenberg, LLP, Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on August 28, 2003.

Claimant signed the Uniform Submission Agreement on August 15, 2003.

Statement of Answer filed by Respondents on November 24, 2003.

A representative of Respondent Citigroup signed the Uniform Submission Agreement on October 15, 2003.

Respondent Baum signed the Uniform Submission Agreement on October 27, 2003.

CASE SUMMARY

Claimant asserted the following causes of action, among others: failure to supervise, unsuitability, and unauthorized trading. The causes of action relate to the purchase of various stocks, including: Electric, Internet Capital, Microsoft, the Unit Investment Trust, and the WorldCom Global Bonds, all of which were not appropriate investments.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief can be granted, statute of limitations, failure to mitigate, ratification, laches, and estoppel.

RELIEF REQUESTED

Claimant requested the following damages:

Compensatory Damages	\$147,549.50
Other Costs	amount unspecified

Respondents requested the Statement of Claim be dismissed in its entirety and that an Order be entered directing the expungement of any reference to these matters from Respondent Baum's records maintained at NASD's Central Registration Depository ("CRD"). Additionally, Respondents requested that attorneys' fees, costs, and forum fees be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

On or about November 1, 2004, the parties agreed to a settlement and requested that the Arbitration Panel (the "Panel") enter a Stipulated Award in this matter.

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 parties' agreement, and the proposed Stipulated Award, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Any and all claims asserted in this matter against individual Respondent Nadav Baum have been withdrawn by Claimant at his election and are hereby dismissed with prejudice.
2. The panel recommends the expungement of all references to the above captioned arbitration from Respondent Baum's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Baum must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. All claims against remaining Respondent Citigroup Global Markets, Inc. are hereby dismissed with prejudice pursuant to a settlement reached between the parties.
4. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and
5. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

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 = \$ 300.00

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(s) at the time of the events giving rise to the dispute. In this matter, the member firm Citigroup Global Markets, Inc. is a party.

Member surcharge = \$1,700.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$2,750.00

Total Member Fees = \$5,200.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel @ \$1,125 = \$1,125.00

Pre-hearing conference: March 22, 2004 1 session

Total Forum Fees = \$1,125.00

1. The Panel has assessed \$562.50 of the forum fees to Claimant.
2. The Panel has assessed \$562.50 of the forum fees jointly and severally to Respondents.

FEE SUMMARY

1. Claimant is assessed and shall pay the following fees:

Initial Filing Fee = \$ 300.00

Forum Fees = \$ 562.50

Total Fees = \$ 862.50

Less payments = \$1,425.00

Refund owed to Claimant = \$ 562.50

2. Respondent Citigroup is assessed and shall pay the following fees:

<u>Member Fees</u>	= \$5,200.00
Total Fees	= \$5,200.00
<u>Less payments</u>	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$.00

3. Respondents are jointly and severally assessed and shall pay the following fees:

<u>Forum Fees</u>	= \$ 562.50
Total Fees	= \$ 562.50
<u>Less payments</u>	= \$.00
Balance Due NASD Dispute Resolution	= \$ 562.50

All balances are payable to NASD Dispute Resolution

ARBITRATION PANEL

Frank C. Fogl, Jr., Esq.	-	Public Arbitrator, Presiding Chairperson
Donald J. Gilbert	-	Public Arbitrator, Panelist
Carl Hohnbaum	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Frank C. Fogl
Frank C. Fogl, Jr., Esq.
Public Arbitrator, Presiding Chairperson

11/17/04
Signature Date

Donald J. Gilbert
Public Arbitrator, Panelist

Signature Date

Carl Hohnbaum
Non-Public Arbitrator, Panelist

Signature Date

November 22, 2004
Date of Service (For NASD Dispute Resolution office use only)

Arbitration No. 03-06231

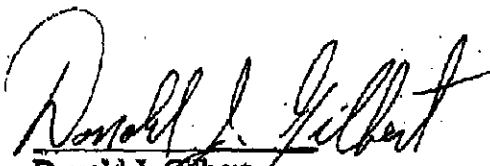
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Concurring Arbitrators' Signatures

Frank C. Fogl, Jr., Esq.

Public Arbitrator, Presiding Chairperson

Signature Date



Donald J. Gilbert
Public Arbitrator, Panelist

November 17, 2004
Signature Date

Carl Hohnbaum
Non-Public Arbitrator, Panelist

Signature Date

November 22, 2004
Date of Service (For NASD Dispute Resolution office use only)

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Public Arbitrator, Presiding Chairperson

Signature Date

Donald J. Gilbert
Public Arbitrator, Panelist

Signature Date

Carl Hohnbaum
Carl Hohnbaum
Non-Public Arbitrator, Panelist

17 Nov '04
Signature Date

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