

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Peter Philips, Jeffrey Philips, and Ann Philips (Claimants) v. Citigroup Global Markets, Inc., Jack Grubman and Kevin Conway (Respondents)

Case Number: 03-06702

Hearing Site: New York, New York

Nature of the Dispute: Customers v. Member and Associated Persons.

REPRESENTATION OF PARTIES

Claimants Peter Philips, Jeffrey Philips, and Ann Philips hereinafter collectively referred to as "Claimants": David M. Richman, Esq., New York, NY.

Respondents Citigroup Global Markets, Inc., Jack Grubman and Kevin Conway hereinafter collectively referred to as "Respondents": Brian F. Amery, Esq., Bressler, Amery & Ross, P.C., Florham Park, NJ.

CASE INFORMATION

Statement of Claim filed on or about: September 10, 2003.

Claimants signed the Uniform Submission Agreement: August 7, 2003.

Joint Statement of Answer filed by Respondents on or about: December 5, 2003.

Respondent Citigroup Global Markets, Inc. signed the Uniform Submission Agreement: January 20, 2004.

Respondent Jack Grubman signed the Uniform Submission Agreement: January 15, 2004.

Respondent Kevin Conway signed the Uniform Submission Agreement: January 13, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: improper and unlawful sales practices.

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$690,453.99; punitive damages in the amount of \$309,546.00; interest at 9%; forum fees; attorneys' fees; witness and production fees; and other case related costs.

Respondents requested that the Panel dismiss Claimants' Statement of Claim with prejudice and assess the costs associated with this arbitration proceeding against the Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

On or about September 16, 2005, the parties entered into a settlement agreement.

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

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Kevin Conway's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Kevin Conway must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
2. All claims against Respondents are dismissed.
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 = \$ 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 persons at the time of the events giving rise to the dispute. In this matter, Citigroup Global Markets, Inc. is a party.

Member Surcharge = \$ 2,250.00
Pre-Hearing Process Fee = \$ 750.00
Hearing Process Fee = \$ 4,000.00

Forum Fees and Assessments

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

One (1) Pre-hearing conference session with a single arbitrator @ \$450.00 per session
= \$ 450.00

Pre-hearing conference: June 15, 2004 1 session

Three (3) Pre-hearing conference sessions with the Panel @ \$3,600.00 per session
= \$3,600.00

Pre-hearing conferences: March 11, 2004 1 session
October 15, 2004 1 session
April 11, 2006 1 session

Total Forum Fees = \$ 4,050.00

1. The Panel has assessed \$1,425.00 of the forum fees for the June 15, 2004, March 11, 2004 and October 15, 2004 pre-hearing conferences against Claimants jointly and severally.
2. The Panel has assessed \$1,425.00 of the forum fees for the June 15, 2004, March 11, 2004 and October 15, 2004 pre-hearing conferences against Respondents Citigroup Global Markets, Inc. and Jack Grubman jointly and severally.
3. The Panel has assessed \$1,200.00 of the forum fees for the April 11, 2006 hearing against Respondent Citigroup Global Markets, Inc.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$1,425.00
Total Fees	= \$1,800.00
Less payments	= \$1,575.00
Balance Due NASD Dispute Resolution	= \$ 225.00

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

Member Fees	= \$7,000.00
Forum Fees	= \$1,200.00
Total Fees	= \$8,200.00
Less payments	= \$8,825.00
Refund Due Citigroup	= \$ 625.00

3. Respondents Citigroup Global Markets, Inc. and Jack Grubman are jointly and severally liable for:

Forum Fees	= \$1,425.00
Total Fees	= \$1,425.00
Less Payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$ 0.00

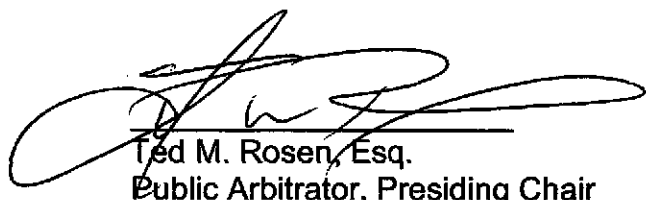
All balances are due and payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Ted M. Rosen, Esq.	-	Public Arbitrator, Presiding Chair
Joseph P. Ferrigno	-	Public Arbitrator
Louis Wald, Esq.	-	Non-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, which is my award.



Ted M. Rosen, Esq.
Public Arbitrator, Presiding Chair

4/22/06

Signature Date

Joseph P. Ferrigno
Public Arbitrator

Signature Date

Louis Wald, Esq.
Non-Public Arbitrator

Signature Date

July 25, 2006

Date of Service (For NASD office use only)

ARBITRATION PANEL

Ted M. Rosen, Esq.	-	Public Arbitrator, Presiding Chair
Joseph P. Ferrigno	-	Public Arbitrator
Louis Wald, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

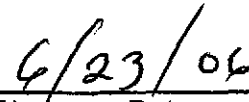
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Ted M. Rosen, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Joseph P. Ferrigno
Public Arbitrator



Signature Date

Louis Wald, Esq.
Non-Public Arbitrator

Signature Date

July 25, 2006
Date of Service (For NASD office use only)

ARBITRATION PANEL

Ted M. Rosen, Esq.	-	Public Arbitrator, Presiding Chair
Joseph P. Ferrigno	-	Public Arbitrator
Louis Wald, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

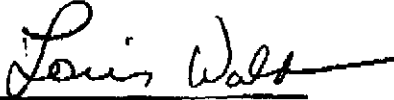
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Ted M. Rosen, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Joseph P. Ferrigno
Public Arbitrator

Signature Date



Louis Wald, Esq.
Non-Public Arbitrator

Signature Date

July 25, 2006
Date of Service (For NASD office use only)