

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Pearl Chu and Jim W. T. Chu (Claimants) vs. Citigroup Global Markets, Inc, Julia H. Chiu and Henry Gotlob (Respondents)

Case Number:04-00163

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimants Pearl and Jim W.T. Chu ("Chu") hereinafter collectively referred to as "Claimants: Adolph D. Seltzer, Esq., Attorney at Law, New York, NY. Previously represented by Joshua D. Rievman, Esq., Hoguet Newman & Regal LLP, New York, NY.

Respondents Citigroup Global Markets, Inc. ("Citigroup"), Julia H. Chiu ("Chiu") and Henry Gotlob ("Gotlob") hereinafter collectively referred to as "Respondents": Hugo A. Hilgendorff, IV, Esq., Bressler, Amery & Ross, P.C., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: January 9, 2004.

Claimants signed the Uniform Submission Agreement: January 5, 2004.

Joint Statement of Answer filed by Respondents on or about: April 16, 2004.

Respondent Chiu signed the Uniform Submission Agreement: March 25, 2004.

Respondent Citigroup signed the Uniform Submission Agreement: March 25, 2004.

Respondent Gotlob signed the Uniform Submission Agreement: March 25, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; breach of fiduciary duty; fraudulent non-disclosure; common law fraud; negligence; and breach of NASD rules. The causes of action relate to the purchase of various telecom stocks including AT & T and Global Crossing.

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

RELIEF REQUESTED

Claimants requested unspecified compensatory damages, punitive damages, attorneys' fees, costs

and such other and further relief as the NASD deems just and proper.

Respondents requested that the Statement of Claim be dismissed and that the arbitrators award Respondents such other and further relief as they deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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, 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. Respondents are jointly and severally liable for and shall pay to Claimants compensatory damages in the amount of \$200,000.00.
2. 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	= \$ 250.00
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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. is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

February 1-4, 2005 and February 22-25, 2005 adjournment by Claimants and Respondents	= Waived
November 1-11, 2005 adjournment by Claimants	= \$1,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00 = \$ 900.00
Pre-hearing conferences: December 3, 2004 1 session
December 9, 2004 1 session

Two (2) Pre-hearing sessions with Panel @ \$1,000.00 = \$ 2,000.00
Pre-hearing conferences: July 6, 2004 1 session
November 29, 2005 1 session

Twelve (12) Hearing sessions @ \$1,000.00 = \$12,000.00
Hearing Dates: March 14, 2006 2 sessions
March 15, 2006 2 sessions
March 16, 2006 2 sessions
March 21, 2006 2 sessions
March 22, 2006 2 sessions
March 23, 2006 2 sessions

Total Forum Fees = \$14,900.00

1. The Panel has assessed \$7,450.00 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$7,450.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimants are liable for:

Initial Filing Fee	= \$ 250.00
Adjournment Fee	= \$1,000.00
Forum Fees	= \$7,450.00
<hr/> Total Fees	<hr/> = \$8,700.00
Less payments	= \$1,985.50
Balance Due NASD Dispute Resolution	= \$6,714.50

2. Respondent Citigroup is solely liable for:

Member Fees	= \$4,450.00
Total Fees	= \$4,450.00
Less payments	= \$4,450.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

Forum Fees	= \$7,450.00
Total Fees	= \$7,450.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$7,450.00

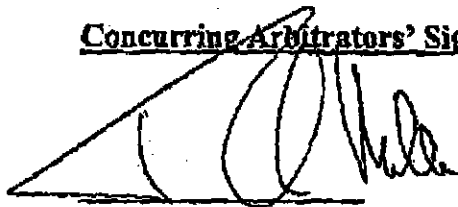
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Frank Muller	-	Public Arbitrator, Presiding Chairperson
Ernesto V. Luzzatto, Esq.	-	Public Arbitrator
Steven A. Infante	-	Non-Public Arbitrator

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 which is my award.

Concurring Arbitrators' Signatures



Frank Muller
Public Arbitrator, Presiding Chairperson

4/17/06
Signature Date

Ernesto V. Luzzatto, Esq.
Public Arbitrator

Signature Date

Steven A. Infante
Non-Public Arbitrator

Signature Date

April 18, 2006
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

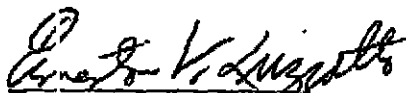
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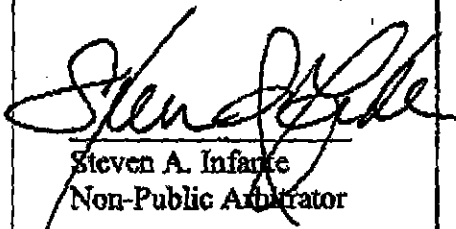
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