

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Leon Smith

and

Case Number: 04-00624
Hearing Site: Houston, Texas

Names of Respondents

Citigroup Global Markets, Inc. and
Thomas Pickett

NATURE OF DISPUTE

Customer v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Leon Smith ("Claimant") was represented by Dennis Taylor, Esq., Shepherd, Smith & Edwards, LLP, Houston, Texas.

Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Thomas Pickett ("Pickett"), hereinafter collectively referred to as "Respondents," were represented by Dulcie Green Wink, Esq., Haynes and Boone, LLP, Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about February 2, 2004. The Submission Agreement of Claimant was signed on or about January 30, 2004.

The Statement of Answer was filed jointly by Respondents, Citigroup and Pickett, on or about May 3, 2004. The Submission Agreement of Respondent Citigroup was signed on or about June 13, 2004. The Submission Agreement of Respondent Pickett was signed on or about July 6, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract, breach of warranty, violations of consumer protection laws, violations of NASD and NYSE rules, violations of the Texas Deceptive Trade Practice Act, statutory and common law fraud, violation of the Texas Securities Act, failure to supervise, negligent misrepresentation, unjust enrichment, negligence, gross negligence and breach of fiduciary duty. The causes of action related to

transactions executed in Claimant's Smith Barney accounts.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: failure to state a claim upon which relief may be granted; ratification; waiver; estoppel; failure to mitigate damages; contractual bar by virtue of the failure to review monthly statements and individual transaction confirmations and to report errors in a timely manner as required by contract; contributory negligence; lack of standing or supporting pleadings to support an award of punitive damages; lack of a contractual or statutory basis for an award of attorney's fees; lack of a private right of action under NYSE or NASD rules; and lack of underlying violations of rules, regulations and/or law to support a failure to supervise claim.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$500,000.00
Punitive/Exemplary Damages	Unspecified
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 also requested an expungement of these claims from the CRD record of Respondent, Thomas Pickett.

OTHER ISSUES CONSIDERED & DECIDED

On or about July 19, 2005, the parties reached a settlement of the claims in this case.

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

AWARD

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

- 1.) Claimant's claims, each and all, having been withdrawn, are dismissed

with prejudice;

- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 3.) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent, Thomas Pickett's, registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent, Thomas Pickett, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and
- 4.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee 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 at the time of the events giving rise to the dispute. In this matter, the member firm is Citigroup Global Markets, Inc.

Member surcharge = \$ 1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 2,750.00

Adjournment Fees

Adjournments granted during these proceedings:

December 15-17, 2004, adjournment requested jointly = \$ 1,125.00
(waived – the parties participated in NASD Mediation)

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 a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: September 16, 2004 1 session	
Two (2) Pre-hearing session with Panel x \$1,125.00	= \$ 2,250.00
Pre-hearing conference: June 3, 2004 1 session	
December 20, 2005 1 session	
Total Forum Fees	= \$ 2,700.00

The Arbitration Panel has assessed \$787.50 of the forum fees to Leon Smith.

The Arbitration Panel has assessed \$1,125.00 of the forum fees to Citigroup Global Markets, Inc.

The Arbitration Panel has assessed \$787.50 of the forum fees jointly and severally to Citigroup Global Markets, Inc. and Thomas W. Pickett.

Pursuant to Rule 10332(g) of NASD Code of Arbitration Procedures: *Any matter submitted and thereafter settled or withdrawn subsequent to the commencement of the first hearing session, including a pre-hearing conference with an arbitrator, shall be subject to an assessment of forum fees and costs incurred pursuant to Rules 10319, 10321, 10322, and 10326 based on hearing sessions held and scheduled within eight business days after the Association receives notice that the matter has been settled or withdrawn. The arbitrator(s) shall determine by whom such forum fees and costs shall be borne. As NASD Dispute Resolution received notice of the settlement within eight business days of the first scheduled hearing, \$ 337.50 of the Claimant's remaining hearing session deposit is retained.*

Fee Summary

Claimant, Leon Smith, is liable for:

Initial Filing Fee	= \$ 300.00
Hearing Session Deposit Retained	= \$ 337.50
Forum Fees	= \$ 787.50
Total Fees	= \$ 1,425.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 1,125.00
Total Fees	= \$ 6,325.00
Less payments	= \$ 5,450.00
Balance Due NASD Dispute Resolution	= \$ 875.00

Respondents, Citigroup Global Markets, Inc. and Thomas W. Pickett, are jointly and severally liable for:

Forum Fees	= \$ 787.50
Total Fees	= \$ 787.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 787.50

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

ARBITRATION PANEL

Anthony Bill Kashouty - Public Arbitrator, Presiding Chair
Walton L. Huff - Public Arbitrator
James M. Alexander - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Anthony Bill Kashouty
Anthony Bill Kashouty
Public Arbitrator, Presiding Chair

December 29, 2005
Signature Date

/s/ Walton L. Huff
Walton L. Huff
Public Arbitrator

December 29, 2005
Signature Date

/s/ James M. Alexander
James M. Alexander
Non-Public Arbitrator


January 6, 2006
Signature Date

December 30, 2005
Date of Service (For NASD office use only)

ARBITRATION PANEL

Anthony Bill Kashoury - Public Arbitrator, Presiding Chair
Walton L. Huff - Public Arbitrator
James M. Alexander - Non-Public Arbitrator

Concurring Arbitrators:


Anthony Bill Kashoury
Public Arbitrator, Presiding Chair

12/29/05
Signature Date

Walton L. Huff
Public Arbitrator

Signature Date

James M. Alexander
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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Walton L. Huff - Public Arbitrator
James M. Alexander - Non-Public Arbitrator

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Anthony Bill Kashouty
Public Arbitrator, Presiding Chair

Walton L. Huff
Public Arbitrator

James M. Alexander
Non-Public Arbitrator

Signature Date

12/29/05

Signature Date

Signature Date

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Walton L. Huff - Public Arbitrator
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Anthony Bill Kashouty
Public Arbitrator, Presiding Chair

Signature Date

Walton L. Huff
Public Arbitrator

Signature Date



James M. Alexander
Non-Public Arbitrator

1-6-06

Signature Date

Date of Service (For NASD office use only)