

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants

Robert H. Hood
Jackie Sue Welch Hood

Case Number: 04-00786

Names of the Respondents

Citigroup Global Markets, Inc.
f/k/a Salomon Smith Barney, Inc.
Timothy L. Rauwald

Hearing Site: Raleigh, NC

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

REPRESENTATION OF PARTIES

Claimants, Robert H. Hood and Jackie Sue Welch Hood, hereinafter collectively referred to as "Claimants", were represented by John F. Bloss, Esq., Clark Bloss & Wall, PLLC, Greensboro, North Carolina.

Respondents, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Timothy L. Rauwald ("Rauwald"), hereinafter collectively referred to as "Respondents", were represented by Etta M. Gumbs, Esq., Citigroup Global Markets, Inc., New York, New York.

CASE INFORMATION

Amended Statement of Claim filed on February 9, 2004.

Claimants signed the Uniform Submission Agreement on February 5, 2004.

Statement of Answer filed by Respondents on April 29, 2004.

A representative of Respondent Citigroup executed the Uniform Submission Agreement on September 14, 2004.

Respondent Rauwald signed the Uniform Submission Agreement on September 15, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: failure to follow instructions, unsuitability, violation of NASD rules, breach of fiduciary duty, negligence, and fraud. The causes of action relate to the purchase and sale of various securities.

Unless specifically admitted in their Statement of Answer, Respondents denied the allegations in the Statement of Claim and set forth the following defenses, among others: failure to state a claim upon which relief may be granted, ratification, waiver, estoppel, and failure to mitigate.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$ 250,000.00
Punitive Damages	\$ 250,000.00
Interest	amount unspecified
Attorney's Fees	amount unspecified
Other Costs	amount unspecified

Respondents requested that Claimants' Amended Statement of Claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have entered into a confidential settlement agreement pursuant to which the parties have stipulated to dismiss this proceeding and to jointly request that the references to this proceeding be expunged from the NASD Central Registration Depository ("CRD") records of Respondent Rauwald (CRD #0002189456). Therefore, the parties submit this Stipulated Award to the Arbitration Panel (the "Panel") for its consideration and request that it be entered.

This matter was closed on May 17, 2005. On June 21, 2005, the parties submitted a Joint Motion to Reconstitute the Panel and Stipulated Award.

On July 5, 2005, the Panel granted the Joint Motion to Reconstitute the Panel and Stipulated Award.

On or about April 15, 2005, 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 entry of a Stipulated Award, the written stipulation there, the Panel grants the motion and enters this award granting the relief below.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

AWARD

Pursuant to the above, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The parties have amicably resolved their differences and have requested this Stipulated Award;
2. Each and every one of Claimants' claims asserted against Respondents is hereby dismissed with prejudice pursuant to a confidential settlement between the parties;
3. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Rauwald's registration records maintained by the CRD with the

understanding that, pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Rauwald must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;

4. That each party shall bear its own costs and expenses, including attorneys' fees, except as Fees are specifically addressed below; and
5. That 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
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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 person at the time of the events giving rise to the dispute. Accordingly, Respondent Citigroup is a party.

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

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 a single arbitrator @ \$ 450.000	= \$ 450.00
Pre-hearing conference: March 7, 2005	1 session

One (1) Pre-hearing session @ \$ 1,125.00	= \$ 1,125.00
Pre-hearing conference: September 2, 2004	1 session

Total Forum Fees	= \$ 1,575.00
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1. The Panel has assessed \$ 787.50 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$ 787.50 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimants are jointly and severally assessed and shall pay:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$ 787.50
Total Fees	= \$ 1,087.50
<u>Less payments</u>	= \$ 1,425.00
Balance	= \$ 337.50
Less Remainder of Hearings Session Deposit Retained Pursuant to NASD Code of Arbitration Rule 10332 (f)	= \$ 337.50
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent Citigroup is assessed and shall pay:

<u>Member Fees</u>	= \$ 5,200.00
Total Fees	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally assessed and shall pay:

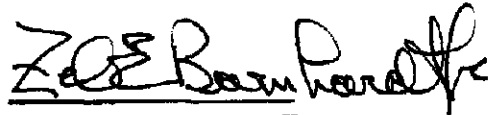
<u>Forum Fees</u>	= \$ 787.50
Total Fees	= \$ 787.50
<u>Less payments</u>	= \$ 787.50
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Zeb E. Barnhardt, Jr., Esq.	-	Public Arbitrator, Presiding Chairperson
Dorothy C. Bernholz, JD	-	Public Arbitrator, Panelist
John D. Robb	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Zeb E. Barnhardt, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Aug. 11, 2005
Signature Date

Dorothy C. Bernholz, JD
Public Arbitrator, Panelist

Signature Date

John D. Robb
Non-Public Arbitrator, Panelist

Signature Date

August 23, 2005
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Zeb E. Barnhardt, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Dorothy C. Bernholz
Dorothy C. Bernholz, JD
Public Arbitrator, Panelist

August 21, 2005
Signature Date

John D. Robb
Non-Public Arbitrator, Panelist

Signature Date

August 23, 2005
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Zeb E. Barnhardt, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Dorothy C. Bernholz, JD
Public Arbitrator, Panelist

Signature Date

John D. Robb
John D. Robb
Non-Public Arbitrator, Panelist

8-15-05
Signature Date

August 23, 2005
Date of Service (For NASD Dispute Resolution office use only)