
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Roseanna Lee

Carolyn Nettles as Trustee for the IGW Trust

Case Number: 04-01203

Name of the Respondent

Citigroup Global Markets, Inc.

Hearing Site: Boca Raton, FL

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Roseanna Lee ("Lee") and Carolyn Nettles as Trustee for the IGW Trust ("IGW"), hereinafter collectively referred to as "Claimants": Bradley R. Stark, Esq., Bradley R. Stark, P.A., Coral Gables, Florida.

For Citigroup Global Markets, Inc. ("CGMI"), hereinafter referred to as "Respondent": Jason S. Haselkorn, Esq., Boose Casey Ciklin Lubitz Martens McBane & O'Connell, West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: February 18, 2004.

Claimant Lee signed the Uniform Submission Agreement: February 2, 2004.

Claimant IGW signed the Uniform Submission Agreement: February 11, 2004.

Statement of Answer filed by Respondent on or about: July 12, 2004.

Respondent signed the Uniform Submission Agreement: May 11, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: 1) unsuitability; 2) gross negligence; 3) negligence; 4) breach of contract; 5) violation of Florida Statutes Sections 517.301 and 517.211; 6) violations of NYSE Rule 405 and NASD Rule 2310; 7) breach of fiduciary duty; 8) failure to supervise; and 9) respondeat superior. The causes of action relate to unspecified securities investments in claimants' accounts.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimants requested statutory rescission damages, exclusive of legal interest in an amount in excess of \$167,547.06; disgorgement of all commissions and fees paid plus legal interest; reimbursement of all commissions, fees, taxes and penalties paid or owing to other entities in order to undo the damage done to Claimants' accounts plus legal interest; other compensatory damages in excess of \$500.00, plus interest at the legal rate; punitive damages; attorney's fees; the costs of this proceeding, including reimbursement of all filing and forum fees; and such other relief as is deemed just and proper.

Respondent requested that all claims against it be dismissed, that Respondent be awarded its attorneys' fees, costs and for such other and further relief as is deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent's ore tenus Motion to Dismiss Unauthorized Trading Claims was granted by the undersigned arbitrators (the "Panel") at the conclusion of the Claimants' presentation of evidence.

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

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, (and the post-hearing submissions) the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' counsel did not prove by a preponderance of the evidence the allegations in the statement of claim or rebut Respondent's affirmative defenses.
2. Respondent is liable and shall pay to Claimants \$375.00 representing reimbursement of the claim filing fee previously paid by Claimants to NASD Dispute Resolution.
3. Claimant's claims for relief pursuant to Florida Statutes Chapter 517 are specifically denied.
4. Because Claimant's counsel pled Florida Statutes 517.301, but did not prevail, Respondent may claim attorney's fees upon the confirmation of this arbitration award before a court of competent jurisdiction.
5. Non-party D'Agostino, an employee of Respondent, offered testimony under oath that was unremittingly not credible. The Panel finds his replies or lack of reply, professed inattention or lack of comprehension, and demeanor were designed to deceive the Panel. His comportment rendered the Panel's task to arrive at a just verdict more difficult.
6. Respondent's request for expungement of its NASD Central Registration Depository records is denied as the testimony of non-party D'Agostino was not credible.
7. Sanctions:
 - a. The Panel orders the Respondent immediately to pay sanctions to Claimants in the sum of \$75,000.00, jointly and severally, because of non-party D'Agostino's conduct, with interest accruing at 2% from the date of the award.

- b. Moreover, the Panel requests that no attorney's fees be awarded the respondent due to non-party D'Agostino's conduct at the hearings.
 - c. If a court of competent jurisdiction, nonetheless, awards attorney's fees, the Panel orders further sanctions for non-party D'Agostino's conduct of \$50,000.00, or the amount of the attorney fee award, whichever is greater, with interest accruing at 2% from the date of the award.
8. Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages and attorney's fees, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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. Accordingly, Respondent CGMI is a member firm and a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$4,000.00</u>
Total Member Fees	= \$7,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

February 21 through 24, 2005 hearing dates, adjournment jointly requested by Claimants and Respondent. The Panel waived the \$1,200.00 adjournment fee.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session.

No three-day cancellation fees were incurred during these proceedings.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were incurred during these proceedings.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. 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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: August 13, 2004	1 session
Twelve (12) Hearing sessions with the Panel @ \$1,200.00	= \$14,400.00
Hearing Dates: May 2, 2005	2 sessions
May 3, 2005	2 sessions
May 4, 2005	2 sessions
May 5, 2005	2 sessions
May 11, 2005	2 sessions
May 12, 2005	2 sessions
Total Forum Fees	= \$14,850.00

The Panel has assessed the total forum fees of \$14,850.00 to Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 375.00
<u>Total Fees</u>	= \$ 375.00
<u>Less payments</u>	= \$ 375.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent is solely liable for:

Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	= \$14,850.00
<u>Total Fees</u>	= \$21,850.00
<u>Less payments</u>	= \$ 7,750.00
Balance Due NASD Dispute Resolution	= \$14,100.00

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

ARBITRATION PANEL

Todd M. Saunders, Esq.	-	Public Arbitrator, Presiding Chairperson
Allan P. Wilson	-	Public Arbitrator
Heather D. Fitzenhagen, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Todd M. Saunders
Public Arbitrator, Presiding Chairperson

May 24, 2005
Signature Date

/s/
Allan P. Wilson
Public Arbitrator

May 26, 2005
Signature Date

/s/
Heather D. Fitzenhagen, Esq.
Non-Public Arbitrator

May 26, 2005
Signature Date

May 27, 2005
Date of Service (For NASD Dispute Resolution office use only)

No administrative costs were incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee = \$ 375.00

Total Fees = \$ 375.00

Less payments = \$ 375.00

Balance Due NASD Dispute Resolution = \$ 0.00

Respondent is solely liable for:

Member Fees = \$ 7,000.00

Forum Fees = \$14,850.00

Total Fees = \$21,850.00

Less payments = \$ 7,750.00

Balance Due NASD Dispute Resolution = \$14,100.00

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

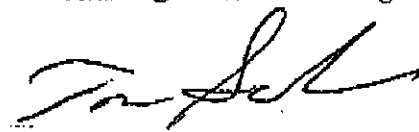
ARBITRATION PANEL

Todd M. Saunders, Esq. - Public Arbitrator, Presiding Chairperson

Allan P. Wilson - Public Arbitrator

Heather D. Fitzenhagen, Esq. - Non-Public Arbitrator

Concurring Arbitrators' Signatures

 5/24/05

Todd M. Saunders Signature Date

Public Arbitrator, Presiding Chairperson

ARBITRATION PANEL

Todd M. Saunders, Esq.	-	Public Arbitrator, Presiding Chairperson
Allan P. Wilson	-	Public Arbitrator
Heather D. Fitzenhagen, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Todd M. Saunders
Public Arbitrator, Presiding Chairperson

Signature Date



Allan P. Wilson
Public Arbitrator



Signature Date

Heather D. Fitzenhagen, Esq.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

ARBITRATION PANEL

Todd M. Saunders, Esq.	•	Public Arbitrator, Presiding Chairperson
Allan P. Wilson	-	Public Arbitrator
Heather D. Fitzenhagen, Esq.	-	Non-Public Arbitrator

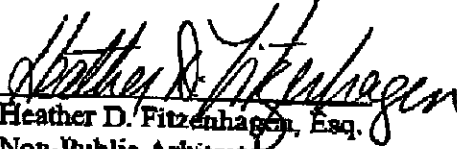
Concurring Arbitrators' Signatures

Todd M. Saunders
Public Arbitrator, Presiding Chairperson

Signature Date

Allan P. Wilson
Public Arbitrator

Signature Date



Heather D. Fitzenhagen, Esq.
Non-Public Arbitrator

5/26/05

Signature Date

Date of Service (For NASD Dispute Resolution office use only)