
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants
Eric and Penny Leftkowitz

Case Number: 04-01721

Name of the Respondent
Citigroup Global Markets, Inc., f/k/a
Salomon Smith Barney, Inc.

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Eric Leftkowitz ("E. Leftkowitz") and Penny Leftkowitz ("P. Leftkowitz"), hereinafter collectively referred to as "Claimants": Darren C. Blum, Esq., Blum, & Silver, LLP, Coral Springs, Florida. On or about May 31, 2006, the law firm of Blum & Silver, LLP, withdrew as counsel. Thereafter, Claimants appeared pro se. On or about December 13, 2006, William B. Young, Jr., Esq., Colling, Gilbert, Wright and Carter, Maitland, Florida, filed a notice of appearance on behalf of Claimants. On or about December 27, 2006, the law firm of Colling, Gilbert, Wright and Carter, withdrew as counsel. Thereafter, Claimants appeared pro se.

For Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc. ("Citigroup"), hereinafter referred to as "Respondent": Tucker H. Byrd, Esq., Greenberg Traurig, P.A., Orlando, Florida.

CASE INFORMATION

Statement of Claim filed on or about: March 5, 2004.
Claimant E. Leftkowitz signed the Uniform Submission Agreement: February 16, 2004.
Claimant P. Leftkowitz signed the Uniform Submission Agreement: March 2, 2004.
Statement of Answer filed by Respondent on or about: June 9, 2004.
Respondent Citigroup did not file an executed Uniform Submission Agreement.
Motion to Dismiss filed by Respondent on or about: August 22, 2006.

CASE SUMMARY

Claimants asserted the following causes of action: 1) violations of industry rules, including but not limited to the NYSE's "know your customer" standard (Rule 405) and the NASD's customer suitability standard (Rule 2310); 2) breach of contract; 3) breach of fiduciary duty; 4) common law fraud; 5) negligence; and, 6) negligent hiring, retention and supervision by Respondent of its employees. The causes of

action relate to the Claimants' investment in Fifth Avenue Channel Corporation stock.

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

RELIEF REQUESTED

Claimants requested: 1) compensatory damages of approximately \$5,000,000.00; 2) interest at the legal rate from the date of purchase or reasonable market return; 3) rescission; 4) punitive damages; 5) costs; and, 6) such other relief as the undersigned arbitrators (the "Panel") deemed just and proper.

Respondent requested: 1) a dismissal of the Statement of Claim in its entirety; 2) an assessment of all forum fees and costs against Claimants; and, 3) such other and further relief as the Panel deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent did not file with NASD Dispute resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, is bound by the determination of the Panel on all issues submitted.

Respondent filed a Motion to Dismiss in which it asserted that Claimants had failed to timely produce documents requested by Respondent. Claimants did not file a response to this Motion. On or about December 4, 2006, the Panel conducted a pre-hearing conference in connection with Respondent's Motion to Dismiss and issued an Order dated December 4, 2006 which, amongst other things, directed Claimants to deliver all required documents, accompanied by an index of same, to Respondent by December 6, 2006. In addition, the Panel directed Respondent to provide the index furnished by Claimants to NASD Dispute Resolution by December 8, 2006.

On or about December 8, 2006, Respondent renewed its Motion to Dismiss based on Claimants' alleged failure to comply with their discovery obligations. Claimant did not file a response to this request. On or about December 20, 2006, the Panel issued an Order which deferred ruling on Respondent's renewed request for a dismissal of Claimants' claims until the evidentiary hearing. Following the evidentiary hearing, the Panel denied the Motion to Dismiss.

Claimants appeared telephonically on the first day of the hearing conducted on January 8, 2007. Claimants appeared in-person on the second day of the hearing conducted on January 9, 2007.

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:

Claimants' claims are denied in their entirety and are dismissed, with prejudice, based upon the merits.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages, are 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	= \$ 600.00
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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 event(s) giving rise to the dispute. Accordingly, Respondent Citigroup is a party and a member firm.

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$5,000.00</u>
Total Member Fees	= \$8,550.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournment fees assessed during these proceedings.

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:

There were no three-day cancellation fees assessed 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 Arbitrator.

There were no injunctive relief fees assessed during these proceedings.

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 the Panel @ \$1,200.00/session = \$2,400.00

Pre-hearing conferences:	September 20, 2004	1 session
	December 4, 2006	1 session

Two (2) Hearing sessions @ \$1,200.00/session = \$2,400.00

Hearing Dates:	January 8, 2007	1 session
	January 9, 2007	1 session

Total Forum Fees	= \$4,800.00
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The Panel has assessed the total forum fees of \$4,800.00 to Claimants.

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 not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$4,800.00
Total Fees	= \$5,400.00

<u>Less payments</u>	= \$1,800.00
Balance Due NASD Dispute Resolution	= \$3,600.00

Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$8,550.00
Total Fees	= \$8,550.00
<u>Less payments</u>	= \$8,550.00
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

Michael J. Fingar, Esq.	-	Public Arbitrator, Presiding Chairperson
Alfred Fingerman	-	Public Arbitrator
Robert Charles Stamm	-	Non-Public Arbitrator

Concurring Arbitrators' Signature

/s/	01/12/2007
<u>Michael J. Fingar, Esq.</u>	<u>Signature Date</u>
Public Arbitrator, Presiding Chairperson	

/s/	01/12/2007
<u>Alfred Fingerman</u>	<u>Signature Date</u>
Public Arbitrator	

/s/	01/12/2007
<u>Robert Charles Stamm</u>	<u>Signature Date</u>
Non-Public Arbitrator	

1/12/07
Date of Service (For NASD Dispute Resolution office use only)

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Respondent Citigroup is solely liable for:

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Public Arbitrator, Presiding Chairperson

1/12/07
Signature Date

Alfred Fingerman
Public Arbitrator

Signature Date

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Non-Public Arbitrator

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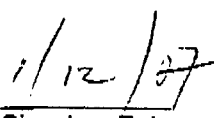
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Public Arbitrator, Presiding Chairperson

Signature Date



Alfred Fingerman
Public Arbitrator



Signature Date

Robert Charles Stamm
Non-Public Arbitrator

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<u>Less payments</u>	<u>= \$1,800.00</u>
<u>Balance Due NASD Dispute Resolution</u>	<u>= \$3,600.00</u>

Respondent Citigroup is solely liable for:

<u>Member Fees</u>	<u>= \$8,550.00</u>
<u>Total Fees</u>	<u>= \$8,550.00</u>
<u>Less payments</u>	<u>= \$8,550.00</u>
<u>Balance Due NASD Dispute Resolution</u>	<u>= \$ 0.00</u>

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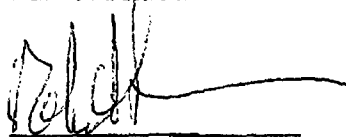
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Signature Date



Robert Charles Stamm
Non-Public Arbitrator



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