
**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant
Andrew L. Brown

Case Number: 04-01881

Name of the Respondent
Citigroup Global Markets, Inc.

Hearing Site: Chicago, Illinois

Nature of the Dispute: Customer vs. Member Firm

REPRESENTATION OF PARTIES

Claimant, Andrew Brown ("Brown"), hereinafter referred to as Claimant: Mike Willner, Esq. of the law firm Miller, Faucher and Cafferty LLP, located in Chicago, Illinois.

Respondent, Citigroup Global Markets, Inc., ("Citigroup"), hereinafter referred to as "Respondent": Joseph A. Sack, Esq. of Citigroup; Citigroup was then later represented by Jerry M. Santangelo, Esq. of Neal, Gerber & Eisenberg LLP, located in Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on May 20, 2004. Claimant's signed an undated Uniform Submission Agreement.

Statement of Answer filed by Respondent on July 15, 2004. Respondent signed the Uniform Submission Agreement on July 15, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: misrepresentation, negligence, omissions, breach of fiduciary duty, unauthorized trading and violation of Illinois law. The causes of action relate to various Class B mutual funds, including John Hancock Technology Fund, GE Life and Annuity Policy and Global Crossing, among others. Claimant asserted that these stocks were risky and unsuitable to his investment needs and objectives.

Unless specifically admitted in its Answer, Citigroup denied the allegations made in the Statement of Claim and asserted the following defenses:

1. The Claim fails to state a cause of action upon which relief can be granted.
2. The damages for which Claimant seeks to hold Respondent liable resulted in whole or in part from Claimant's own acts or omissions, and Respondent is not responsible for or liable to Claimant for his own negligent acts or omissions.

3. The damages for which Claimant seeks to hold Responsible liable were proximately caused by Claimant's failure to use reasonable means to mitigate damages.
4. The damages for which Claimant seeks to hold Respondent liable resulted in whole or in part from acts or omissions of third parties, and Respondent is not responsible for or liable to Claimant for the negligent acts or omissions by these third parties.
5. Claimant, by his conduct, approved, authorized and/or ratified Respondent's actions.
6. There is no private right of action for a violation of the National Association of Securities Dealers Rules or New York Stock Exchange Rules.
7. Claimant, by his conduct, is barred from recovery by the doctrines of waiver and estoppel, and by any statutes of limitations.
8. Claimant failed to use the requisite due diligence in the monitoring, managing and handling of his accounts.
9. Claimant voluntarily assumed the risk of investing and is precluded from recovery herein.
10. As a matter of law, the damages Claimant seeks are too speculative to be awarded.
11. Claimant is barred by delay, laches or statutes of limitations.

RELIEF REQUESTED

Claimant requested for compensatory damages in the amount of \$100,000.00; punitive damages, or in the alternative, treble damages; disgorgement of all fees and profits earned by Citigroup or any of its agents; interest; costs and fees; and for such the relief as determined to be just by the Panel.

Respondent Citigroup requested that the Statement of Claim be denied and dismissed with prejudice, and for costs associated with this arbitration.

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. Any and all claims asserted by Claimant, Andrew L. Brown, are denied.
2. Except as otherwise specified herein, parties shall bear their own costs, including attorneys' fees.
3. 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 | = \$ 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. Accordingly, Citigroup Global Markets, Inc. is a named party to this proceeding and is assessed the following fees:

| | |
|-------------------------|--------------|
| Member surcharge | = \$1,100.00 |
| Pre-hearing process fee | = \$ 750.00 |
| Hearing process fee | = \$1,700.00 |

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

| | |
|---|-------------|
| June 7-9, 2005, adjournment by Respondent Citigroup | = \$ 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 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 Panel @ \$750.00 | = \$ 750.00 |
| Pre-hearing conference: November 5, 2004 1 session | |

| | |
|---|--------------|
| Four (4) Hearing sessions @ \$750.00 | = \$3,000.00 |
| Hearing Dates: August 30, 2005 2 sessions | |
| August 31, 2005 2 sessions | |

| | |
|------------------|--------------|
| Total Forum Fees | = \$3,750.00 |
|------------------|--------------|

1. The Panel assessed 50% of the total forum fees in the amount of \$1,875.00 solely to Claimant, Andrew L. Brown.
2. The Panel assessed 50% of the total forum fees in the amount of \$1,875.00 solely to Respondent, Citigroup Global Markets, Inc.

EEE SUMMARY

1. Claimant, Andrew L. Brown, is solely liable for:

| | |
|-------------------------------------|--------------|
| Initial Filing Fee | = \$ 225.00 |
| Forum Fees | = \$1,875.00 |
| Total Fees | = \$2,100.00 |
| Less payments | = \$1,425.00 |
| Balance Due NASD Dispute Resolution | = \$ 675.00 |

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

| | |
|-------------------------------------|--------------|
| Member Fees | = \$3,550.00 |
| Adjournment Fee | = \$ 750.00 |
| Forum Fees | = \$1,875.00 |
| Total Fees | = \$6,175.00 |
| Less payments | = \$3,550.00 |
| Balance Due NASD Dispute Resolution | = \$2,625.00 |

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

ARBITRATION PANEL

| | | |
|-----------------------|---|--|
| Susan L. Walker, J.D. | - | Public Arbitrator, Presiding Chairperson |
| David John Dierson | - | Public/Non-Public Arbitrator |
| Joseph D. Savino | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures

/s/ Susan L. Walker, J.D.
Susan L. Walker, J.D.
Public Arbitrator, Presiding Chairperson

10/6/05
Signature Date

/s/ David John Diersen
David John Diersen
Public Arbitrator

10/5/05
Signature Date

/s/ Joseph D. Savino
Joseph D. Savino
Non-Public Arbitrator

10/5/05
Signature Date

10/5/05
Date of Service (For NASD Dispute Resolution office use only)

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Arbitration No. 04-07387
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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Susan L. Walker, J.D.
David John Dietsen
Joseph D. Savino

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• Public/Non-Public Arbitrator
• Non-Public Arbitrator

Concurring Arbitrators' Signatures

Susan L. Walker

Susan L. Walker, J.D.
Public Arbitrator, Presiding Chairperson

10/6/05
Signature Date

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Public Arbitrator

Signature Date

Joseph D. Savino
Non-Public Arbitrator

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Public Arbitrator, Presiding Chairperson

David John Diersen

David John Diersen
Public Arbitrator

Signature Date

October 5, 2005

Signature Date

Joseph D. Savino
Non-Public Arbitrator

Signature Date

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Arbitration No. 04-01881
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Public Arbitrator

Signature Date

Joseph D. Savino

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Non-Public Arbitrator

10/5/05

Signature Date

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ATTN: ERROLL ANGANA

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