
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Homer W. Keifer

Case Number: 04-02079

Names of the Respondents

Citigroup Global Markets, Inc. f/k/a Salomon
Smith Barney, Inc.
Jeffrey G. Hull

Hearing Site: Orlando, Florida

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

REPRESENTATION OF PARTIES

For Homer W. Keifer, hereinafter referred to as "Claimant": Owen P. McGill, Esq. and Ernest J. Marquart, Esq., Shumaker, Loop & Kendrick, LLP, Tampa, Florida.

For Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Jeffrey G. Hull ("Hull"), hereinafter collectively referred to as "Respondents": Sean J. Coughlin, Director and Associate General Counsel with Respondent Citigroup, New York, New York, and Colleen M. Fitzgerald, Esq., GrayRobinson, P.A., Tampa, Florida.

CASE INFORMATION

Statement of Claim filed on or about: March 25, 2004.

Claimant signed the Uniform Submission Agreement on: March 24, 2004.

Statement of Answer filed by Respondents on or about: May 18, 2004.

Respondent Citigroup did not file an executed Uniform Submission Agreement.

Respondent Hull signed the Uniform Submission Agreement on: July 8, 2004.

CASE SUMMARY

Claimant alleged the following causes of action: 1) breach of fiduciary duty; 2) unsuitability; 3) negligence; 4) failure to supervise; 5) violation of Section 517.301, Florida Statutes; and 6) violation of Rule 10b-5 – General Rules and Regulations promulgated under the Securities Exchange Act of 1934. The causes of action relate to investments in various options, mutual funds and common stocks, including In Focus, Tyco, Citigroup, GlobalSantafe, AOL, Applied Materials, Healthsouth and Ford.

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

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in the amount of \$410,756.00; 2) interest; 3) costs pursuant to Sections 57.105 and 517.211(6), Florida Statutes; 3) attorneys' fees pursuant to Sections 57.105 and 517.211(6), Florida Statutes; and 5) such other relief the undersigned arbitrators (the "Panel") deemed just and proper.

Respondents requested: 1) dismissal, with prejudice, of the Statement of Claim in its entirety; 2) that the Panel award nothing to Claimant; 3) a specific finding that Respondents did not commit a violation of Chapter 517, Florida Statutes; 4) costs; 5) attorneys' fees; and 6) recommendation of expungement of all reference to the above captioned arbitration from Respondent Hull's registration records maintained by the NASD Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Citigroup 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, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

The parties 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, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims, including statutory claims under Chapter 517, Florida Statutes, are dismissed, with prejudice. The Panel finds that Respondents did not commit a violation of Chapter 517, Florida Statutes.
2. Claimant's requests for costs and attorneys' fees are denied.
3. Respondents' request for expungement is denied.
4. The Panel defers Respondents' requests for costs and attorneys' fees to a court of competent jurisdiction.
5. Any and all claims or relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD 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, Respondent Citigroup is a member firm and a party.

Member surcharge = \$1,700.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$2,750.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed.

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 panel.

There were no injunctive relief fees assessed 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 per session = \$ 450.00
Pre-hearing conference: February 7, 2005 1 session

One (1) Pre-hearing session with Panel @ \$1,125.00 per session = \$1,125.00
Pre-hearing conference: August 27, 2004 1 session

Five (5) Hearing sessions @ \$1,125.00 per session = \$5,625.00
Hearing Dates: March 22, 2005 2 sessions

March 23, 2005 2 sessions
March 24, 2005 1 session

Total Forum Fees = \$7,200.00

The Panel has assessed the total forum fees in the amount of \$7,200.00 to Respondents, jointly and severally.

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

Claimant is solely liable for:

| | |
|-------------------------------------|-------------|
| <u>Initial Filing Fee</u> | = \$ 300.00 |
| <u>Total Fees</u> | = \$ 300.00 |
| <u>Less payments</u> | = \$ 300.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

Respondent Citigroup is solely liable for:

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

Respondents are jointly and severally liable for:

| | |
|-------------------------------------|--------------|
| <u>Forum Fees</u> | = \$7,200.00 |
| <u>Total Fees</u> | = \$7,200.00 |
| <u>Less payments</u> | = \$ 0.00 |
| Balance Due NASD Dispute Resolution | = \$7,200.00 |

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

ARBITRATION PANEL

| | | |
|------------------------------|---|--|
| Lawrence Paul McGauley, Esq. | - | Public Arbitrator, Presiding Chairperson |
| Constance d'Angelis, Esq. | - | Public Arbitrator |
| Robert W. Schlitt, Jr. | - | Non-Public Arbitrator |

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Concurring Arbitrators' Signatures

/s/

Lawrence Paul McGauley, Esq.
Public Arbitrator, Presiding Chairperson

03/30/05

Signature Date

/s/

Constance d'Angelis, Esq.
Public Arbitrator

03/30/05

Signature Date

/s/

Robert W. Schlitt, Jr.
Non-Public Arbitrator

03/30/05

Signature Date

03/30/05

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

FROM :

Mar. 30 2005 05:57PM P2

NO. 1841 P. 6/6

1001 02 0111

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Concurring Arbitrators' Signatures

Lawrence Paul McGauley - Chair

Lawrence Paul McGauley, Esq.
Public Arbitrator, Presiding Chairperson

3/30/05

Signature Date

Constance d'Angelis, Esq.
Public Arbitrator

Signature Date

Robert W. Schlitt, Jr.
Non-Public Arbitrator

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Public Arbitrator, Presiding Chairperson

Signature Date

Constance d'Angelis

Constance d'Angelis, Esq.
Public Arbitrator

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Public Arbitrator, Presiding Chairperson

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Signature Date



Robert W. Schlitt, Jr.
Non-Public Arbitrator

3/30/05

Signature Date

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