

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Ted Simpson

and

04-02194
Phoenix, Arizona

Name of Respondents

Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc.
Martin C. Hoffman, Jr.

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

REPRESENTATION OF PARTIES

Ted Simpson ("**Claimant**") was represented by Chad P. Hemmat, Anderson, Hemmat & Levine, LLC, Denver, Colorado.

Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc. ("**Respondent Citigroup**") and Martin C. Hoffman, Jr. ("**Respondent Hoffman**") hereinafter referred to as ("**Respondents**") were represented by Jennifer P. Nore, Esq., Meyer, Hendricks & Bivens, P.A., Phoenix, Arizona.

CASE INFORMATION

The Statement of Claim was filed on or about March 30, 2004. Submission Agreement of Claimant Ted Simpson was signed on January 31, 2004

Statement of Answer was filed by Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc. and Martin C. Hoffman, Jr. on or about May 20, 2004. Submission Agreement of Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc. was signed on May 7, 2004 by Harry Walters. Submission Agreement of Respondent Martin C. Hoffman, Jr. was signed on June 1, 2004.

CASE SUMMARY

Claimant's Statement of Claim alleges claims against Respondents for breach of contract, breach of fiduciary duty, violation of Blue Sky laws, negligence, negligent supervision, negligent misrepresentation, fraud and unsuitability.

Respondents denied the allegations in the Statement of Claim and asserted several affirmative defenses to those allegations.

RELIEF REQUESTED

Claimant requested an award in the amount of \$2.7 million in compensatory damages, interest, unspecified tax offset, punitive damages in the amount of \$2.7 million, attorneys' fees and costs.

Respondents requested that the claims asserted against them be dismissed in their entirety, that they be awarded their attorneys' fees and costs and that all references to the above-captioned arbitration be expunged from Respondent Hoffman's registration record maintained by the NASD Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED & DECIDED

Claimant dismissed Hoffman from the action with prejudice pursuant to a stipulation dated January 26, 2005.

The parties advised NASD Dispute Resolution that they entered into an agreement to settle this matter on certain terms and conditions set forth in a confidential settlement agreement.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies. The parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

After considering the pleadings and the stipulation of the parties, but without making any findings of fact or conclusions of law, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination and find as follows:

1. Pursuant to the parties agreement, the claims asserted in this matter are dismissed with prejudice.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Martin C. Hoffman, Jr.'s registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Martin C. Hoffman, Jr. must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

3. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

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

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm(s) is(are) Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc..

Member surcharge	\$	3,350.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	5,500.00
Total Member Fees	\$	9,600.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing 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:

1 Pre-hearing session(s) with Panel	x	1,200.00	\$	1,200.00
August 9, 2004	1	session		
Total Forum Fees			\$	1,200.00

The Arbitration Panel has assessed \$600.00 of the forum fees to Ted Simpson.

The Arbitration Panel has assessed \$600.00 of the forum fees to Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc.

Fee Summary

Claimant, Ted Simpson, shall be and hereby is liable for:

Initial Filing Fee	= \$	600.00
<u>Forum Fees</u>	= \$	600.00
Total Fees	= \$	1,200.00
<u>Less payments</u>	= \$	-1,800.00
Balance to be refunded by NASD Dispute Resolution	= \$	- 600.00

Respondent, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc., shall be and hereby is liable for:

Member Fees	= \$	9,600.00
<u>Forum Fees</u>	= \$	600.00
Total Fees	= \$	10,200.00
<u>Less payments</u>	= \$	-9,600.00
Balance Due NASD Dispute Resolution	= \$	600.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Eugene R. Nielson - Public Arbitrator, Presiding Chair
Richard I. Topus - Public Arbitrator
James B. Kaiser - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Eugene R. Nielson
Eugene R. Nielson
Public Arbitrator, Presiding Chair

February 16, 2005
Signature Date

/s/ Richard I. Topus
Richard I. Topus
Public Arbitrator

February 17, 2005
Signature Date

/s/ James B. Kaiser
James B. Kaiser

February 21, 2005
Signature Date

NASD Dispute Resolution
Arbitration No. 04-02194
Stipulated Award Page 5 of 5

Non-Public Arbitrator

Date of Service (For NASD office use only)

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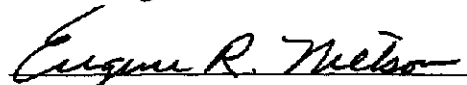
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Richard I. Topus - Public Arbitrator
James B. Kaiser - Non-Public Arbitrator

Concurring Arbitrators:


Eugene R. Nielson
Public Arbitrator, Presiding Chair

2-16-05
Signature Date

Richard I. Topus
Public Arbitrator

Signature Date

James B. Kaiser

Signature Date

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FEB 22 2005

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Richard I. Topus - Public Arbitrator
James B. Kaiser - Non-Public Arbitrator

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Eugene R. Nielson
Public Arbitrator, Presiding Chair



Richard I. Topus
Public Arbitrator

James B. Kaiser

Signature Date



Signature Date

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Concurring Arbitrators:

Eugene R. Nielson
Public Arbitrator, Presiding Chair

Signature Date

Richard I. Topus
Public Arbitrator

Signature Date

James B. Kaiser

2/21/05
Signature Date

Stipulated Award Page 5 of 5

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