

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimants

Melanie Grissett, Individually and
as Trustee of the Joel M. Mansfield Trust

v.

04-02385
Denver, Colorado

Respondent

Salomon Smith Barney, Inc.
n/k/a Citigroup Global Markets, Inc.

Nature of Dispute: Customers v. Member

REPRESENTATION OF PARTIES

Melanie Grissett, Individually and as Trustee of the Joel M. Mansfield Trust ("**Claimants**"), were represented by Charles Hunter, Esq., of Woska & Hayes, L.L.P., Oklahoma City, Oklahoma.

Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. ("**Respondent**"), was represented by Raul Sanchez, Esq., of Citigroup Global Markets, Inc., New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about March 29, 2004. The Submission Agreements of Claimants were signed on or about May 3, 2004.

The Statement of Answer was filed by Respondent, Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc., on or about July 29, 2005. The Submission Agreement of Respondent, Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc., was signed on or about July 29, 2004.

Claimants filed an Objection to Answer, Motion to Strike and Motion to Exclude Evidence on or about April 21, 2005. Respondent filed a Response on or about April 29, 2005.

CASE SUMMARY

Claimants asserted causes of action including the following: negligence, misrepresentations, unsuitability, breach of fiduciary duty, failure to supervise, violations of the Colorado Consumer Protection Act and Colorado Uniform Securities Act, and breach of contract. The causes of action related to Respondent's recommendation of the use of a Money Manager who purchased several

unsuitable high-tech stocks, including: Enron Corp., Amgen, Inc., Tyco, Intl, and Corning, Inc. Claimants alleged that these investments were in contrast to their stated investment objectives of growth of investment and preservation of capital with moderate risk. Claimants also alleged that by placing most of their accounts in high-tech and internet stocks, Respondent failed to diversify their accounts and protect them from a market downturn.

Respondent denied the allegations set forth in the Statement of Claim and asserted defenses including the following: Claimants failed to state a claim upon which relief can be granted; all actions that Respondent took relating to Claimants and their accounts were directed or authorized by Claimants; Claimants' claims, in whole or in part, are time-barred; the damages claimed by Claimants were not proximately or causally related to any alleged conduct, or activity attributable to Respondent; the damages claimed by Claimants resulted from market forces over which Respondent had no control; the damages claimed by Claimants are barred or limited because Claimants were contributory negligent and assumed the risks involved; the damages claimed by Claimants are barred because the Respondent acted in good faith and without any intent to harm Claimants; the damages claimed by Claimants are barred or limited by applicable provisions, restrictions and limitations in the account agreements and documentation relating to Claimants accounts; and Claimants are not entitled to recovery any damages because the overall performance of their portfolio during the relevant time indicated that Claimants did not suffer any legally recognizable injury or damages.

RELIEF REQUESTED

Claimants requested an award of \$31,000 in compensatory damages, plus lost opportunity damages, interest, costs, attorneys' fees, punitive damages and any other relief the panel deemed just and equitable.

Respondent requested that the claims asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

On or about May 16, 2005, the Arbitrator entered an Order denying Claimants' Motion to Strike and Motion to Exclude Evidence.

At the arbitration hearing Respondent asserted a Motion to Exclude Claimants' Expert Witness. After hearing oral arguments, the Arbitrator denied Respondent's Motion to Exclude.

The parties have agreed that the Award in this matter may be executed in a counterpart copy or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original remains on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims, each and all, are hereby denied and dismissed with prejudice in their entirety:
2. To the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto, are denied; and
3. 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.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$ 175

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. In this matter, the member firm is Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc.

Member surcharge = \$ 875
Pre-hearing process fee = \$ 750
Hearing process fee = \$ 1,000

Forum Fees and Assessments

The Arbitrator assesses forum fees for each hearing session conducted. A hearing 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 Arbitrator x \$ 450 = \$ 900

Pre-hearing conferences: 10/25/2004 1 session
 05/10/2005 1 session

Six (6) Hearing sessions with the Arbitrator x \$ 450 = \$ 2,700

Hearing Dates: 05/17/2005 2 sessions
 05/18/2005 2 sessions
 05/19/2005 2 sessions

Total Forum Fees = \$ 3,600

The Arbitrator has assessed \$ 1,800 of the forum fees to Melanie Grissett, Individually and as Trustee of the Joel M. Mansfield Trust.

The Arbitrator has assessed \$ 1,800 of the forum fees to Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc.

FEE SUMMARY

Claimants, Melanie Grissett, Individually and as Trustee of the Joel M. Mansfield Trust, are jointly and severally liable for:

Initial Filing Fee	= \$ 175
<u>Forum Fees</u>	= \$ 1,800
Total Fees	= \$ 1,975
<u>Less payments</u>	= \$ 625
Balance Due NASD Dispute Resolution	= \$ 1,350

Respondent, Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc., is liable for:

Member Fees	= \$ 2,625
<u>Forum Fees</u>	= \$ 1,800
Total Fees	= \$ 4,425
<u>Less payments</u>	= \$ 3,250
Balance Due NASD Dispute Resolution	= \$ 1,175

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

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ARBITRATOR

Michael J. Norton - Public Arbitrator, Presiding Chair

Arbitrator's Signature:

Michael J. Norton
Public Arbitrator, Presiding Chair

Signature Date

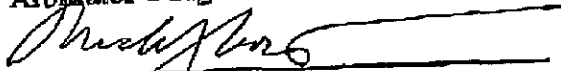
5/26/05
Date of Service (NASD use only)

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ARBITRATOR

Michael J. Norton - Public Arbitrator, Presiding Chair

Arbitrator's Signature:



Michael J. Norton
Public Arbitrator, Presiding Chair

5/25/05
Signature Date

5/26/05
Date of Service (NASD use only)