

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Leon Shelton (Claimant) v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.
(Respondent)

Case Number: 04-02709

Hearing Site: Covington, Kentucky

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

Claimant Leon Shelton ("Shelton") hereinafter referred to as "Claimant": Duane E. Tobias, Esq., previously Debra Brewer Hayes, Esq., Woska & Hayes, L.L.P., Kingwood, TX.

Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") hereinafter referred to as "Respondent": Robert N. Rapp, Esq., Calfee, Halter & Griswold, LLP, Cleveland, OH. Previously represented by: Linda R. Alpert, Esq., Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: April 5, 2004.

Claimant signed the Uniform Submission Agreement: March 28, 2004.

Statement of Answer filed by Respondent on or about: June 2, 2004.

Respondent signed the Uniform Submission Agreement: June 2, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: control person liability pursuant to Section 20(a) of the Exchange Act; breach of fiduciary duty; breach of contract; violation of Know Your Customer Rule; unsuitability; failure to diversify; failure to supervise; violations of securities laws; and failure to hedge. The causes of action relate to unspecified securities.

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

RELIEF REQUESTED

Claimant requested compensatory damages in excess of \$75,000.00; pre-judgment and post-judgment interest; costs, including forum fees, hearing session fees, and costs in bringing this action to protect Claimant's rights and best interests; reasonable attorneys' fees under Ohio statutory law; costs and expenses, including expert witness fees; punitive damages; and all other and further relief to which he may be entitled.

Respondent requested that the Statement of Claim be dismissed, and that all costs be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

This matter was originally scheduled to be heard in Cincinnati, Ohio; however, the parties and arbitrators unanimously agreed for the hearing to be conducted in Covington, Kentucky.

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.

ARBITRATORS' REPORT

Claimant sought compensation for damages sustained as a direct, proximate, and consequential result of Respondent's acts, errors and omissions. The nature of the claims was an accusation of negligence, misrepresentations, and grossly unsuitable investment recommendations by the Respondent.

The Panel found that no factual evidence presented in the pleadings, testimony, or evidence indicated negligence, misrepresentation or the making of grossly unsuitable investment recommendations by the Respondent. Claimant's account depletion was by and large due to his spending of his own assets.

While the Panel's unanimous decision was to dismiss the Claimant's claim, it was decided that this was not a frivolous case as alluded to by the Respondent in its request for the assessment of forum fees to the Claimant. In that matter the Panel has concluded that the full burden of the forum fees will be borne by the Respondent.

AWARD

After considering the pleadings, and 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. Claimant's claims are denied in their entirety.
2. 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 = \$225.00

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. f/k/a Salomon Smith Barney, Inc. is a party.

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

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: September 8, 2004 1 session

Three (3) Hearing sessions @ \$750.00 = \$2,250.00

Hearing Dates: March 8, 2005 2 sessions

March 9, 2005 1 session

Total Forum Fees = \$3,000.00

1. The Panel has assessed \$3,000.00 of the forum fees against Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee = \$ 225.00

Total Fees = \$ 225.00

Less payments = \$ 975.00

Refund Due Claimant = \$ 750.00

2. Respondent is solely liable for:

Member Fees = \$3,550.00

Forum Fees = \$3,000.00

Total Fees = \$6,550.00

Less payments = \$4,050.00

Balance Due NASD Dispute Resolution = \$2,500.00


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

ARBITRATION PANEL

Lisa Shusterman	-	Public Arbitrator, Presiding Chairperson
William W. Oliver	-	Public Arbitrator
John B. Glueckert	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Lisa Shusterman
Public Arbitrator, Presiding Chairperson

3.15.05

Signature Date

William W. Oliver
Public Arbitrator

Signature Date

John B. Glueckert
Non-Public Arbitrator

Signature Date

March 22, 2005

Date of Service (For NASD Dispute Resolution use only)

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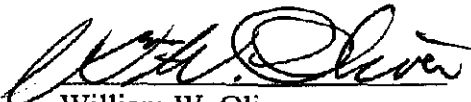
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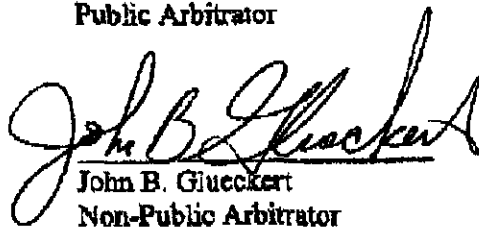
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