

**Award
NASD Dispute Resolution**

COPY

In the Matter of the Arbitration Between:

John G. and Helen M. Carlson, Claimants v. Citigroup Global Markets, Inc. and Austin N. Heberger, Jr., Respondents

Case Number: 04-03476

Hearing Site: Los Angeles, California

Nature of the Dispute: Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

For Claimants:

John G. Carlson
In Propria Persona and as
Personal Representative for
Helen M. Carlson
Arcadia, California

For Respondents:

Adam Kauff, Esq.
Citigroup Global Markets, Inc.
New York, New York

CASE INFORMATION

Statement of Claim filed: May 11, 2004

Claimants' Joint Uniform Submission Agreement signed: March 20, 2006

Joint Statement of Answer filed by Respondents: April 24, 2006

Respondent Citigroup Global Markets, Inc.'s Uniform Submission Agreement signed:
May 18, 2006

Respondent Austin N. Heberger, Jr.'s Uniform Submission Agreement signed:
May 17, 2006

CASE SUMMARY

Claimants alleged breach of fiduciary duty, unauthorized sales, unsuitability, switching, churning, misrepresentation and omission of facts, and failure to supervise. Claimants' allegations involved mutual funds in Fidelity Investments, Legg-Mason, and the American Fund families. Claimants' allegations also involved Centex stock and unspecified bonds.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

RELIEF REQUESTED

Claimants requested \$24,790.00 in compensatory damages and costs in the amount of \$850.00.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

During the hearing, Respondent Austin N. Heberger, Jr. requested the expungement of all reference to the above-captioned arbitration from his registration records maintained by the NASD Central Registration Depository.

The parties agreed that a handwritten, signed Award may be entered.

AWARD

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

- 1) Claimants' claims are denied in their entirety.
- 2) The Arbitrator recommends the expungement of all reference to the above captioned arbitration from Respondent Austin N. Heberger, Jr.'s registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Austin N. Heberger, Jr. must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130, the arbitration panel has made the following affirmative findings of fact: The claim, allegation, or information is false.

- 3) The parties shall bear their respective costs, including attorney's fees.
- 4) All other relief requested and not expressly granted, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 125.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Citigroup Global Markets, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 425.00
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Forum Fees and Assessments

The Arbitrator assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A session is any meeting between the parties and the arbitrator, including a pre-hearing conference, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing conference sessions			
with a single arbitrator @ \$450.00/session			= \$ 900.00
Pre-hearing conferences:	August 4, 2006	1 session	
	October 12, 2006	1 session	
Two (2) Hearing sessions @ \$450.00/session			= \$ 900.00
Hearings:	November 9, 2006	2 sessions	
Total Forum Fees			= \$1,800.00

1. The Panel assessed \$900.00 of the forum fees jointly and severally to Claimants John G. and Helen M. Carlson.
2. The Panel assessed \$900.00 of the forum fees to Respondent Citigroup Global Markets, Inc.

Fee Summary

1. Claimants John G. and Helen M. Carlson are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 125.00
Forum Fees	= \$ 900.00
Total Fees	= \$ 1,025.00
Less payments	= \$ (575.00)
Balance Due NASD Dispute Resolution	= \$ 450.00

2. Respondent Citigroup Global Markets, Inc. is charged with the following fees and costs:

Member Fees	= \$ 425.00
Forum Fees	= \$ 900.00
Total Fees	= \$ 1,325.00
Less payments	= \$(1,175.00)
Balance Due NASD Dispute Resolution	= \$ 150.00

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

ARBITRATION PANEL

Kendall C. Reed, Esq.

Public Arbitrator

Arbitrator's Signature


Kendall C. Reed, Esq.
Public Arbitrator

11-10-06
Signature Date

11/10/06
Date of Service