

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimant

Norma Schonwetter

and

Case Number: 04-04168
Hearing Site: Southfield, Michigan

Respondents

Citigroup Global Markets, Inc. f/k/a Salomon
Smith Barney, Inc., and Carole E. Kaufman

NATURE OF DISPUTE

Customer v. Member and Associated Person

REPRESENTATION OF PARTIES

Norma Schonwetter ("Claimant") was represented by Joel H. Kaufman, Esq., Law Offices of Joel H. Kaufman, Farmington Hills, Michigan.

Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Carole E. Kaufman ("Kaufman"), hereinafter collectively referred to as "Respondents," were represented by W. Scott Turnbull, Esq., Miller Canfield, Paddock and Stone, PLC, Detroit, Michigan.

CASE INFORMATION

The Statement of Claim was filed on or about June 14, 2004. The Submission Agreement of Norma Schonwetter was signed on or about June 8, 2004.

The Statement of Answer was filed jointly by Citigroup and Kaufman on or about August 6, 2004. The Submission Agreement of Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., was signed on or about October 4, 2004, by Linda R. Alpert.

CASE SUMMARY

Claimant asserted the following causes of action: broker misconduct including failure to advise of risks, costs, and fees; breach of contract; negligence/misrepresentation; breach of fiduciary duty; violation of federal and state securities laws; and common law fraud. The causes of action related to Claimant's allegations that Respondents' purchased an unsuitable variable annuity for her given her age and investment goals and objectives.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim fails to state a claim upon which relief can be granted; the Statement of Claim is barred by reason of the applicable statutes of limitations or other periods of limitation; and the Statement of Claim is barred by reason of Claimant's ratification of the actions complained of therein.

RELIEF REQUESTED

Claimant requested an award in the amount of \$76,907.30, plus interest, costs, attorneys' fees, and such other relief as the panel determined just and equitable

Respondents requested that the claims asserted against them be dismissed in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Carole E. Kaufman did not file with the NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, and appeared and testified at the hearing is bound by the determination of the arbitration panel on all issues submitted.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with NASD Dispute Resolution ("NASD").

AWARD

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

- 1.) Claimant's claims, each and all, are denied and dismissed with prejudice;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

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

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

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:

One (1) Pre-hearing session with Panel x \$750.00	= \$ 750.00
Pre-hearing conference: October 13, 2004 1 session	

Three (3) Hearing sessions x \$750.00	= \$ 2,250.00
Hearing Dates: April 12, 2005 2 sessions	
April 13, 2005 1 session	

Total Forum Fees	= \$ 3,000.00
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The Arbitration Panel has assessed \$1,500.00 of the forum fees to Norma Schonwetter.

The Arbitration Panel has assessed \$1,500.00 of the forum fees to Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.

Fee Summary

Claimant, Norma Schonwetter, is liable for:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 1,500.00
Total Fees	= \$ 1,725.00
Less payments	= \$ 975.00
Balance Due NASD Dispute Resolution	= \$ 750.00

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

Member Fees	= \$ 3,550.00
Forum Fees	= \$ 1,500.00
Total Fees	= \$ 5,050.00
Less payments	= \$ 6,000.00
Balance Refunded by NASD Dispute Resolution	= \$ 950.00

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

ARBITRATION PANEL

Ralph C. Smith, Esq. - Public Arbitrator, Presiding Chair
Joseph F. Page, III, Esq. - Public Arbitrator
Jennifer Ann Shandler - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Ralph C. Smith, Esq.
Ralph C. Smith, Esq.
Public Arbitrator, Presiding Chair

04/14/05
Signature Date

/s/ Joseph F. Page, III, Esq.
Joseph F. Page, III, Esq.
Public Arbitrator

04/14/05
Signature Date

/s/ Jennifer Ann Shandler
Jennifer Ann Shandler
Non-Public Arbitrator

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Signature Date

04/14/05
Date of Service (For NASD office use only)

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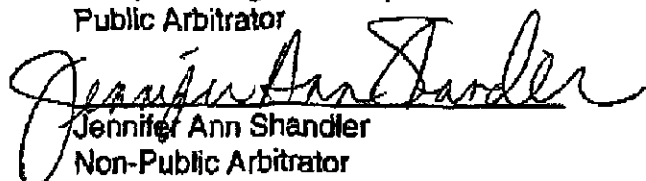
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