
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Robert Wilmot
Maxine Wilmot

Case Number: 04-04364

Names of the Respondents

Salomon Smith Barney, Inc.
n/k/a Citigroup Global Markets, Inc.
PFS Investments, Inc.
James Michael Lockhart

Hearing Site: New Orleans, Louisiana

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

REPRESENTATION OF PARTIES

For Robert and Maxine Wilmot, hereinafter referred to as "Claimants": R. Neal Wilkinson, Esq., Baton Rouge, Louisiana.

For Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. ("SSB"), PFS Investments, Inc. ("PFS"), and James Michael Lockhart ("Lockhart"), hereinafter collectively referred to as "Respondents": Stephen H. Kupperman, Esq. and Meredith A. Cunningham, Esq., Barrasso Usdin Kupperman Freeman & Sarver, L.L.C., New Orleans, Louisiana.

CASE INFORMATION

Statement of Claim filed on or about: June 21, 2004.

Claimants signed but did not date the Uniform Submission Agreement.

Statement of Answer filed by Respondents on or about: December 20, 2004.

Respondents did not file executed Uniform Submission Agreements.

CASE SUMMARY

Claimants asserted the following causes of action: 1) unsuitability; 2) negligence; 3) breach of fiduciary duty; and 4) misrepresentation. The causes of action relate to Claimants' investments in unspecified SSB mutual funds purchased through PFS, certain retirement distributions taken by Claimants pursuant to Internal Revenue Code Section 72(t), and a mortgage obtained by Claimants.

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

RELIEF REQUESTED

Claimants requested: 1) compensatory damages in excess of \$250,000.00; 2) attorney fees; and

3) costs.

Respondents requested: 1) that the Statement of Claim be denied in all respects; 2) that all forum fees and costs be assessed against Claimants; and 3) such other relief as the undersigned arbitrators (the "Panel") deemed just and proper. In addition, Respondent Lockhart requested that all references to the allegations in the Statement of Claim be ordered expunged from his NASD Central Registration Depository ("CRD") records.

OTHER ISSUES CONSIDERED AND DECIDED

On or about December 20, 2005, Claimants dismissed, with prejudice, all claims against Respondents SSB and Lockhart.

On or about January 10, 2006, the remaining parties, Claimants and Respondent PFS, notified the Panel that they had settled the case and jointly requested expungement of the NASD CRD records of Respondent Lockhart.

On or about January 25, 2006, the Panel entered an Order which granted the parties' joint request for expungement and directed the parties to submit a Proposed Stipulated Award.

On or about February 21, 2006, NASD Dispute Resolution received the parties' proposed Stipulated Award.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

AWARD

After considering the pleadings, the agreement between the parties, and the Joint Motion for Expungement, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- (1) Pursuant to Rule 2130, the Panel has made the following affirmative finding of fact: The Panel finds that Respondent Lockhart was not involved in the alleged investment-related sales practice violation, as represented by counsel for the Claimants and Respondent in their signed Joint Request.
- (2) The Panel recommends the expungement of all references to the above captioned arbitration from James Michael Lockhart's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notice to Members 04-16, Mr. Lockhart must obtain an order from a court of competent jurisdiction before the NASD CRD will execute the expungement directive. Unless specifically waived in writing by 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.
- (3) Claimants' claims asserted against Respondents SSB, PFS, and Lockhart are hereby dismissed with prejudice.

- (4) Any and all relief not specifically addressed herein, including Claimants' request for attorney's fees, is denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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 = \$ 300.00

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. Accordingly, Respondent PFS is a party and a member firm.

Member surcharge = \$ 1,700.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 2,750.00

Total Member Fees = \$ 5,200.00

Respondent SSB was a party and is a member firm.

Member surcharge = \$ 1,700.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 2,750.00

Total Member Fees = \$ 5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournment fees assessed during these proceedings.

Three-Day Cancellation Fees

Three-day cancellation fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

There were no three-day cancellation fees assessed during these proceedings.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

There were no injunctive relief fees assessed during these proceedings.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 a single arbitrator @ \$450.00/session = \$ 450.00
Pre-hearing conference: November 15, 2005 1 session

One (1) pre-hearing session with Panel @ \$1,125.00/session = \$1,125.00
Pre-hearing conference: March 7, 2005 1 session

Total Forum Fees = \$1,575.00

The Panel has assessed forum fees in the amount of \$787.50 to Claimants, jointly and severally.
The Panel has assessed forum fees in the amount of \$787.50 to Respondents, jointly and severally.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 787.50
Retained Hearing Session Deposit pursuant to Rule 10332(f) of Code	= \$ 337.50
Total Fees	= \$1,425.00
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent SSB is solely liable for:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent PFS is solely liable for:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents SSB, PFS, and Lockhart are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 787.50
<u>Total Fees</u>	= \$ 787.50
<u>Less payments</u>	= \$ 787.50
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

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

ARBITRATION PANEL

Charles Reasonover, Esq.	-	Public Arbitrator, Presiding Chairperson
James Francis Donovan	-	Public Arbitrator
Robert Wojcik	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

03/01/06

Charles Reasonover, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/

02/24/06

James Francis Donovan
Public Arbitrator

Signature Date

/s/

02/24/06

Robert Wojcik
Non-Public Arbitrator

Signature Date

March 2, 2006

Date of Service (For NASD Dispute Resolution office use only)

Respondents SSB, PFS, and Lockhart are jointly and severally liable for:

Forum Fees	= \$ 787.50
Total Fees	= \$ 787.50
Less payments	= \$ 787.50
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James Francis Donovan	-	Public Arbitrator
Robert Wojcik	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Charles Reasonover, Esq.
Public Arbitrator, Presiding Chairperson

3/1/06

Signature Date

James Francis Donovan
Public Arbitrator

Signature Date

Robert Wojcik
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution

Arbitration No. 04-04364

Stipulated Award Page 5

Respondents SSB, PFS, and Lockhart are jointly and severally liable for:

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Public Arbitrator, Presiding Chairperson

James Francis Donovan -

Public Arbitrator

Robert Wojcik -

Non-Public Arbitrator

Concurring Arbitrators' Signatures

Charles Reasonover, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

James Francis Donovan
James Francis Donovan
Public Arbitrator

24 Feb 06
Signature Date

Robert Wojcik
Non-Public Arbitrator

Signature Date_____
Date of Service (For NASD Dispute Resolution office use only)

Feb. 24. 2006 12:50PM NASD

No. 1393 P. 3 3

NASD Dispute Resolution

Arbitration No. 04-04364

Stipulated Award Page 5

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James Francis Donovan	-	Public Arbitrator
Robert Wojcik	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Charles Reasonover, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

James Francis Donovan
Public Arbitrator

Signature Date

RAA, II

Robert Wojcik
Non-Public Arbitrator

2-24-06

Signature Date

Date of Service (For NASD Dispute Resolution office use only)