

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of Claimant

John L. Hannon

Case Number: 04-04432

Names of Respondents

Citigroup Global Markets, Inc. f/k/a

Salomon Smith Barney, Inc.

Jack B. Grubman

Michael E. Dowell

Robert D. Webb

Hearing Site: News Orleans, Louisiana

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

REPRESENTATION OF PARTIES

For John L. Hannon, hereinafter referred to as "Claimant": Thomas A. Hargett, Esq., Maddox, Hargett & Caruso, P.C., Fishers, Indiana and Jeffrey Pombert, Esq. Page Perry, LLC, Atlanta, Georgia.

For Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup"), Jack B. Grubman ("Grubman"), Michael E. Dowell ("Dowell"), and Robert D. Webb ("Webb"), hereinafter collectively referred to as "Respondents": Jennifer Tomsen, Esq., Greenberg Traurig, Orlando, Florida.

CASE INFORMATION

Statement of Claim filed on or about: June 15, 2004.

Claimant signed the Uniform Submission Agreement on: June 15, 2004.

Statement of Answer filed by Respondents on or about: October 18, 2004.

Respondent Citigroup signed the Uniform Submission Agreement on: July 28, 2004.

Respondent Grubman signed the Uniform Submission Agreement on: July 29, 2004.

Respondent Webb signed the Uniform Submission Agreement on: August 16, 2004.

Respondent Dowell signed the Uniform Submission Agreement on: December 7, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: 1) respondeat superior; 2) violation of federal and Mississippi securities laws; 3) common law fraud; 4) breach of fiduciary duty; 5) breach of contract; 6) negligence/gross negligence; 7) unsuitability; 8) failure to supervise; and, 9) violation of the "Know Your Customer" Rule. These causes of action relate to Claimants' investment in, including but not limited to, WorldCom, Inc. shares of stock.

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

RELIEF REQUESTED

Claimant requested: 1) pecuniary damages in the amount of \$750,250.31; 2) any other award allowed under Mississippi law; 3) attorneys' fees; 4) costs and expenses incurred in prosecuting this action; and, 5) unspecified punitive damages.

Respondents requested: 1) dismissal, with prejudice, of the Statement of Claim in its entirety; 2) attorneys' fees; and, 3) an assessment of costs against the Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

On or about June 27, 2006, Claimant filed with NASD Dispute Resolution a Notice of Dismissal Without Prejudice of Respondents Dowell and Webb from the above referenced matter. On or about June 28, 2006, Respondents Dowell and Webb filed their non-opposition to Claimant's withdrawal, without prejudice, of claims.

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.

AWARD

After considering the pleadings, 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:

Claimant's claims against Respondents Citigroup and Grubman are denied.

Claimant, Respondent Citigroup and Respondent Grubman shall bear their own costs.

Any and all claims for relief by and between Claimant, Respondent Citigroup and Respondent Grubman not specifically addressed herein, including Claimant's claims for punitive damages, are 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	= \$ 375.00
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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 persons at the time of the events

giving rise to the dispute. Accordingly, Respondent Citigroup is a party and a member firm.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00
Total Member Fees	= \$7,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed.

Three-Day Cancellation Fees

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 or each decision rendered on a discovery-related motion on the papers. A session is any meeting between the parties and the arbitrators, 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 @ \$1,200.00/session	= \$ 1,200.00
Pre-hearing conference: December 3, 2004	1 session
Eleven (11) Hearing sessions @ \$1,200.00/ session	=\$13,200.00
Hearing Dates:	
July 18, 2006	3 sessions
July 19, 2006	2 sessions
July 20, 2006	3 sessions
July 21, 2006	3 sessions
Total Forum Fees	= \$14,400.00

The Panel has assessed \$7,200.00 of the forum fees to Claimant.

The Panel has assessed \$7,200.00 of the forum fees jointly and severally to Respondents Citigroup and Grubman.

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

Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$7,200.00
Total Fees	= \$7,575.00
Less payments	= \$1,575.00
Balance Due NASD Dispute Resolution	= \$6,000.00

Respondent Citigroup is solely liable for:

Member Fees	= \$7,000.00
Total Fees	= \$7,000.00
Less payments	= \$7,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents Citigroup and Grubman are jointly and severally liable for:

Forum Fees	= \$7,200.00
Total Fees	= \$7,200.00
Less payments	= \$3,250.00
Balance Due NASD Dispute Resolution	= \$3,950.00

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

ARBITRATION PANEL

William Paul Bryan III, JD	-	Public Arbitrator, Presiding Chairperson
David Walton Earle	-	Public Arbitrator
Robert A. Wojcik	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
William Paul Bryan III, JD
Public Arbitrator, Presiding Chairperson

August 4, 2006
Signature Date

/s/
David Walton Earle
Public Arbitrator

August 2, 2006
Signature Date

/s/
Robert A. Wojcik
Non-Public Arbitrator

August 2, 2006
Signature Date

August 7, 2006
Date of Service (For NASD Dispute Resolution office use only)

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Arbitration No. 04-04432

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 William Paul Bryan III, JD
 Public Arbitrator, Presiding Chairperson


 Signature Date

NASD Dispute Resolution

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David Walton Earle
Public Arbitrator

8/2/16

Signature Date

Robert A. Wojcik

Non-Public Arbitrator

Signature Date

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

David Walton Earle
Public Arbitrator

Signature Date


Robert A. Wojcik
Non-Public Arbitrator

8-2-06
Signature Date

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