
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Barbara H. Hawley

Case Number: 04-05620

Name of the Respondent
Citigroup Global Markets, Inc.
f/k/a Salomon Smith Barney, Inc.

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Barbara H. Hawley ("Hawley"), hereinafter referred to as "Claimant": Nicholas P. Iavarone, Esq., Simmons Cooper, LLC, East Alton, Illinois.

For Citigroup Global Markets, Inc. f/k/a/ Salomon Smith Barney, Inc. ("Citigroup"), hereinafter referred to as "Respondent": Jason S. Haselkorn, Esq., Boose Casey Ciklin Lubitz Martens McBane & O'Connell, P.A., West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: August 9, 2004.

Claimant signed the Uniform Submission Agreement: April 1, 2004.

Statement of Answer filed by Respondent on or about: December 17, 2004.

Respondent signed the Uniform Submission Agreement: November 28, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty, including failure to supervise and unsuitable use of margin; breach of contract; violation of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder; violation of the Florida Securities and Investor Protection Act, specifically Florida Statute Sections 517.301(1)(a)(1)-(3) and 517.301, et seq.; violation of the Florida Deceptive Trade Practices Act, specifically Florida Statute Section 501.204(1); violation of the Florida Rico Statute, specifically Florida Statute Section 772.103(1); and, violation of Florida's Elder Law, specifically Florida Statute Sections 825.103 and 772.11(1). The causes of action relate to Claimant's investment in various common stock and mutual funds, including but not limited to, the following: Abbott Laboratories, Burlington Res, Inc., Delphi Automotive Systems Corp., Exxon Mobil Corp., Microsoft Corp., General Motors Corp., Cisco Systems, Inc., Intl Business Machines Corp., AOL Time Warner, Inc., Smith Barney Muni Funds Florida Portfolio CL A, AIM Value Fund CL B and Smith Barney Aggressive Growth Fund CL A.

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 the amount of at least \$130,000.00, punitive damages in the amount of three times compensatory damages, treble damages, pre-judgment interest, expert witness costs and attorneys' fees.

Respondent requested that Claimant's claims be denied and dismissed, with prejudice, with costs assessed against Claimant. Additionally, Respondent requested that this matter be expunged from the NASD Central Registration Depository ("CRD") record of non-party Darran Blake, in accordance with the provision of NASD Rule 2130.

OTHER ISSUES CONSIDERED AND DECIDED

The parties 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 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:

Respondent is liable for unsuitable use of margin and negligent and improper supervision. As such, Respondent shall pay to Claimant compensatory damages in the amount of \$68,000.00 plus interest at the Florida statutory rate accruing from September 28, 2003, until the date of payment of the Award.

The Panel determined that Claimant is entitled to payment, by Respondent, of seventy-five percent (75%) of her reasonable attorneys' fees, based upon equity. The Panel refers the determination on the amount to a court of competent jurisdiction.

Respondent shall pay to Claimant \$375.00, which represents reimbursement of the initial claim filing fee previously paid by Claimant to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein, including Claimant's claims for relief pursuant to the Florida Securities and Investor Protection Act, Claimant's request for punitive and treble damages, Claimant's request for expert witness costs and Respondent's request for expungement of non-party Blake's CRD record, 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

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 Citigroup is a member firm and a party.

Member surcharge = \$2,800.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$4,000.00

Total Member Fees = \$7,550.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred in this matter.

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:

No three-day cancellation fees were incurred in this matter.

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.

No injunctive relief fees were incurred in this matter.

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: October 11, 2005 1 session

Three (3) Pre-hearing sessions with the Panel @ \$1,200.00/session = \$ 3,600.00
Pre-hearing conferences: February 11, 2005 1 session
February 18, 2005 1 session
March 8, 2005 1 session

Nine (9) Hearing sessions @ \$1,200.00/session = \$ 10,800.00
Hearing Dates: November 29, 2005 2 sessions
November 30, 2005 2 sessions

	December 1, 2005	3 sessions	
	December 2, 2005	2 sessions	
Total Forum Fees			= \$14,850.00

The Panel assessed the total forum fees of \$14,850.00 to Respondent.

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 not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
Total Fees	= \$ 375.00
Less payments	= \$ 375.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent is solely liable for:

Member Fees	= \$ 7,550.00
Forum Fees	= \$14,850.00
Total Fees	= \$22,400.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$13,850.00

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

ARBITRATION PANEL

Paul W. Serman, CPA	-	Public Arbitrator, Presiding Chairperson
Michael D. Felton	-	Public Arbitrator
Michael T. Williams, CFP	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ _____
Paul W. Serman, CPA
Public Arbitrator, Presiding Chairperson

December 13, 2005
Signature Date

/s/ _____
Michael D. Felton
Public Arbitrator

December 13, 2005
Signature Date

/s/
Michael T. Williams, CFP
Non-Public Arbitrator

December 8, 2005
Signature Date

December 13, 2005
Date of Service (For NASD Dispute Resolution office use only)

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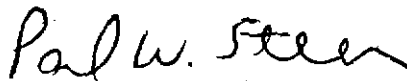
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Paul W. Sterman, CPA
Public Arbitrator, Presiding Chairperson

12/13/2005
Signature Date

Michael D. Felton
Public Arbitrator

Signature Date

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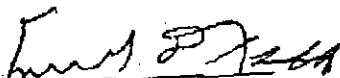
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Paul W. Sterman, CPA
Public Arbitrator, Presiding Chairperson



Michael D. Felton
Public Arbitrator

Signature Date

12/13/05
Signature Date

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Michael T. Williams, CFP
Non-Public Arbitrator

12/8/05
Signature Date

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