

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

Ronnie Stockholm

vs.

Case Number: 04-05719
Hearing Site: Houston, Texas

Names of Respondents

Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.,
Kurt Russell Stockholm, and
Thomas Edward Lanza

NATURE OF THE DISPUTE

Customer vs. Member and Associated Persons

REPRESENTATION OF PARTIES

Ronnie Stockholm ("Claimant") was represented by David W. Starnes, Esq., Beaumont, Texas.

Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup"), Kurt Russell Stockholm ("K. Stockholm"), and Thomas Edward Lanza ("Lanza"), hereinafter collectively referred to as "Respondents," were represented by Andrew R. Harvin, Esq., Doyle, Restrepo, Harvin & Robbins, LLP, Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about August 12, 2004. The Submission Agreement of Claimant, Ronnie Stockholm, was signed on or about August 2, 2004.

The Statement of Answer was filed jointly by Respondents, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., Kurt Russell Stockholm, and Thomas Edward Lanza, on or about October 13, 2004. The Submission Agreement of Respondent, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., was signed on or about October 12, 2004. The Submission Agreement of Respondent, Thomas Edward Lanza, was signed on or about September 10, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; negligence; failure to supervise; suitability; and unauthorized trading. The causes of action related to the recommendation and purchase of stocks, including but not limited to, Ciena Corp., E City Software, Inc., Globalspan Virata, Inc., Juniper Networks, Inc, NASDAQ 100 Trust Ser 1, and Openwave Systems, Inc. Claimant alleged that Respondent invested his money into highly speculative technology stocks and comprised his portfolio into 95% equities, which was unsuitable and contrary to his investment objective.

Unless specifically admitted in their Answer, Respondents, Citigroup, R. Stockholm, and Lanza denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to state a claim upon which relief can be granted; Claimant ratified and approved all transactions in his account; Claimant's claims are barred by the doctrines of estoppel, waiver, and laches; Claimant assumed the risk of his chosen investment strategy; and the alleged damages sustained by Claimant were the result of unforeseeable market fluctuations for which none of the Respondents should be held responsible.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$ 400,000.00
Exemplary/Punitive Damages	\$1,000,000.00
Treble Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

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

OTHER ISSUES CONSIDERED & DECIDED

Respondent, Kurt Russell Stockholm, did not file with the NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the 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.

AWARD

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

- 1.) Claimant's claims, each and all, are hereby 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 the non-refundable filing fee for each claim:

Initial Claim filing fee = \$ 500.00

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 persons 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	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,000.00

Adjournment Fees

Adjournments granted during these proceedings:

October 18-20, 2005, adjournment requested by Claimant = \$ 1,200.00

Forum Fees and Assessments

The Panel has assessed forum fees for each hearing 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 arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00	= \$	450.00
Pre-hearing conference: April 8, 2005	1 session	

Four (4) Pre-hearing sessions with Panel x \$1,200.00	= \$	4,800.00
Pre-hearing conferences: December 13, 2004	1 session	
October 14, 2005	1 session	
December 22, 2005	1 session	
May 15, 2006	1 session	

Ten (10) Hearing sessions x \$1,200.00	= \$	12,000.00
Hearing Dates: April 11, 2006	2 sessions	
April 12, 2006	2 sessions	
April 13, 2006	2 sessions	
October 17, 2006	2 sessions	
October 18, 2006	2 sessions	

Total Forum Fees	= \$	17,250.00
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The Panel has assessed \$8,625.00 of the forum fees to Ronnie Stockholm.

The Panel has assessed \$8,625.00 of the forum fees to Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.

FEE SUMMARY

Claimant, Ronnie Stockholm, is liable for:

Initial Filing Fee	= \$	500.00
Adjournment Fee	= \$	1,200.00
Forum Fees	= \$	8,625.00
Total Fees	= \$	10,325.00
Less payments	= \$	1,700.00
Balance Due NASD Dispute Resolution	= \$	8,625.00

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

Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	<u>= \$ 8,625.00</u>
Total Fees	= \$ 17,175.00
<u>Less payments</u>	<u>= \$ 14,300.00</u>
Balance Due NASD Dispute Resolution	= \$ 2,875.00

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

ARBITRATION PANEL

Jack Chapline Vaughan, Esq. - Public Arbitrator, Presiding Chair
James P. Hoefling - Public Arbitrator
Charles E. Martin, CPA - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ Jack Chapline Vaughan, Esq.
Jack Chapline Vaughan, Esq.
Public Arbitrator, Presiding Chair

October 26, 2006
Signature Date

/s/ James P. Hoefling
James P. Hoefling
Public Arbitrator

October 26, 2006
Signature Date

/s/ Charles E. Martin, CPA
Charles E. Martin, CPA
Non-Public Arbitrator

October 26, 2006
Signature Date

October 26, 2006
Date of Service (For NASD office use only)

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

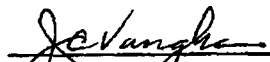
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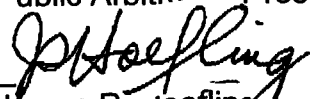
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James P. Hoefling
Public Arbitrator

Signature Date

10-26-06

Signature Date

Charles E. Martin, CPA
Non-Public Arbitrator

Signature Date

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Signature Date

Charles E. Martin

10-26-06

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Non-Public Arbitrator

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