

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Renee Lem-Newman (Claimant) v. Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc. (Respondent)

Case Number: 04-06270

Hearing Site: New York, New York

Nature of the Dispute: Customer vs. Member

REPRESENTATION OF PARTIES

Claimant Renee Lem-Newman ("Newman") hereinafter referred to as "Claimant": Michael B. Lynch, Esq., Hooper & Weiss, LLC., Jericho, NY.

Respondent Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc. ("Citigroup") hereinafter referred to as "Respondent": David G. Smitham, Esq., Bressler, Amery & Ross, P.C., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: August 31, 2004.

Claimant signed the Uniform Submission Agreement: August 20, 2004.

Statement of Answer filed by Respondent on or about: November 15, 2004.

Respondent signed the Uniform Submission Agreement: January 10, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty, breach of contract, negligence, employment of manipulation and deceptive devices, communication to the public, and failure to supervise. The causes of action relate to WorldCom.

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

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RELIEF REQUESTED

Claimant requested: \$1,000,000.00 in compensatory damages; punitive damages; pre-judgment interest, costs, attorneys' fees, disgorgement of fees and profits, and such other damages that the Panel deems appropriate.

Respondent requested that the Statement of Claim be dismissed with prejudice in its entirety, the costs of the arbitration be assessed against Claimant, and that the Panel award such other relief as it may deem appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

A telephonic Pre-hearing Conference was held on July 12, 2005, where the Panel heard arguments on Respondent's Motion to Dismiss. After due deliberation, the panel granted said Motion with prejudice.

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 presented at the Pre-hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are denied in their entirety.
2. Any and all relief not specifically addressed herein, including punitive damages, is denied.

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 = \$ 375.00.

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. Accordingly, Citigroup is a party.

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

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Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. 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:

Two (2) Pre-hearing sessions with Panel @ \$1,200.00	= \$ 2,400.00
Pre-hearing conferences: January 18, 2005 1 session	
July 12, 2005 1 session	
Total Forum Fees	= \$ 2,400.00

1. The Panel has assessed \$ 1,200.00 of the forum fees to Claimant.
2. The Panel has assessed \$ 1,200.00 of the forum fees to Respondent.

Fee Summary

1. Claimant is solely liable for:	
Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	= \$ 1,200.00
Total Fees	= \$ 1,575.00
<u>Less payments</u>	= \$ 1,700.00
Refund Due Claimant	= \$ 125.00
2. Respondent is solely liable for:	
Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	= \$ 1,200.00
Total Fees	= \$ 8,200.00
<u>Less payments</u>	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 1,200.00

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

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ARBITRATION PANEL

Charles L. Prothero	-	Public Arbitrator, Presiding Chairperson
Hilary B. Miller	-	Public Arbitrator
Orestes J. Mihaly	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Charles L. Prothero
Public Arbitrator, Presiding Chairperson

Signature Date



Hilary B. Miller
Public Arbitrator

7/22/05

Signature Date

Orestes J. Mihaly
Non-Public Arbitrator

Signature Date

August 2, 2005

Date of Service (For NASD Dispute Resolution use only)

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Public Arbitrator, Presiding Chairperson

Signature Date

Hilary B. Miller
Public Arbitrator

Signature Date



Orestes J. Mihaly
Non-Public Arbitrator

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Charles L. Prothero

Public Arbitrator, Presiding Chairperson


Signature Date
Hilary B. Miller

Public Arbitrator


Signature Date
Orestes J. Mihaly

Non-Public Arbitrator


Signature Date

August 2, 2005


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