
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Carole S. Rice

Case Number: 04-06309

Names of the Respondents
Citigroup Global Markets, Inc. f/k/a
Salomon Smith Barney Inc.

Hearing Site: New Orleans, Louisiana

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Carole S. Rice, hereinafter referred to as "Claimant": Debra G. Speyer, Esq., Law Offices of Debra G. Speyer, Philadelphia, Pennsylvania.

For Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc., hereinafter referred to as "Respondent": Carolyn D. Roach, Esq., Schirmeister Diaz-Arrastia Brem, Houston, Texas.

CASE INFORMATION

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

Claimant signed the Uniform Submission Agreement: July 7, 2004.

Statement of Answer and Affirmative Defenses filed by Respondent on or about: March 2, 2005.

Respondent signed the Uniform Submission Agreement: April 13, 2005.

Amended Statement of Claim filed by Claimant on or about January 3, 2005.

Motion to Dismiss the Amended Statement of Claim filed by Respondent on or about: December 19, 2005.

Reply in Opposition to Respondent's Motion to Dismiss filed by Claimant on or about: January 13, 2006.

Reply in Support of its Motion to Dismiss the Amended Statement of Claim filed by Respondent on or about: January 20, 2006.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty and aiding and abetting breach of fiduciary duties; material misrepresentations and omissions; unsuitability; failure to supervise; negligence; breach of contract; fraud on the market; and, violation of Louisiana Securities Law, Section 712. The causes of action relate to Claimant's investment in WorldCom stock.

Unless specifically admitted in their Answer, Respondent denied the allegations made in the Statement of Claim, asserted various defenses and asserted a Motion to Dismiss on the following bases: Respondent is not legally liable to Claimant; Claimant fails to state a cause of action;

Respondent owes no duty to Claimant with regard to her 401(k) purchases of WorldCom shares; and, Claimant's claims are barred by the statute of limitations.

In response to the Motion to dismiss, Claimant denied the assertions therein.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$1,823,416.00 comprising of losses in her unexercised employee stock options and her 401(k) account.

Respondent requested that Claimant's Statement of Claim, as amended, be dismissed with prejudice in its entirety and that Respondent be awarded its attorneys' fees and costs with respect to the defense of this action.

OTHER ISSUES CONSIDERED AND DECIDED

On or about February 9, 2006, the Panel issued an Order which granted Respondent's Motion to Dismiss.

The parties have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the Motion to Dismiss, response and reply thereto, and the record in this matter, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Claimant's claims are dismissed, with prejudice.

Any and all claims for relief not specifically addressed herein, including Respondent's request for attorneys' fees, 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	= \$ 600.00
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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. In this matter, the member firm Citigroup Global Markets, Inc. is a party.

Member surcharge	= \$3,750.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournments were requested 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 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 a single arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: December 5, 2005 1 session	

Two (2) Pre-hearing sessions with the Panel @ \$1,200.00/session	= \$2,400.00
Pre-hearing conferences: May 10, 2005 1 session	
January 30, 2006 1 session	

Total Forum Fees	= \$2,850.00
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The Panel has assessed the total forum fees of \$2,850.00 to Claimant.

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.

No administrative costs were incurred in this matter.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 2,850.00
Total Fees	= \$ 3,450.00
Less payments	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 1,650.00

Respondent is solely liable for:

Member Fees	= \$ 9,500.00
Total Fees	= \$ 9,500.00
Less payments	= \$ 9,500.00
Balance Due NASD Dispute Resolution	= \$ 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

Robert A. Kutcher, Esq.	-	Public Arbitrator, Presiding Chairperson
James Francis Donovan	-	Public Arbitrator
Keith E. Robinson	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

02/10/06

Robert A. Kutcher, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/

02/10/06

James Francis Donovan
Public Arbitrator

Signature Date

/s/

02/13/06

Keith E. Robinson
Non-Public Arbitrator

Signature Date

February 13, 2006

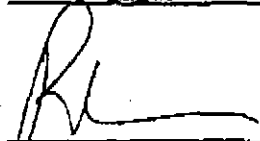
Date of Service (For NASD Dispute Resolution office use only)

Feb. 10. 2006 1:17PM NASD

No. 1191 P. 9/9

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Concurring Arbitrators' Signatures



Robert A. Kutcher, Esq.
Public Arbitrator, Presiding Chairperson

2/10/06

Signature Date

James Francis Donovan
Public Arbitrator

Signature Date

Keith E. Robinson
Non-Public Arbitrator

Signature Date

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

Concurring Arbitrators' Signatures

Robert A. Kutcher, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

James Francis Donovan
James Francis Donovan
Public Arbitrator

10 Feb 02
Signature Date

Keith E. Robinson
Non-Public Arbitrator

Signature Date

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Robert A. Kutcher, Esq.
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Signature Date

James Francis Donovan
Public Arbitrator

Signature Date



Keith E. Robinson
Non-Public Arbitrator

2/13/06
Signature Date

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