

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Irving F. Boekelheide and Priscilla D. Boekelheide, individually and as Trustees fbo Boekelheide Family 1987 Revocable Trust U/A/D 6/4/87, Claimants v. Citigroup Global Markets, Inc. (f/k/a Salomon Smith Barney, Inc.), Respondent

Case Number: 04-06568

Hearing Site: San Francisco, California

Nature of the Dispute: Customers v. Member

REPRESENTATION OF PARTIES

For Claimants:

Val D. Hornstein, Esq.
Hornstein Law Offices
San Francisco, California

For Respondent:

Joseph L. Calabrese, Esq.
Citigroup Global Markets, Inc.
New York, New York

CASE INFORMATION

Statement of Claim filed: September 14, 2004

Claimants' Joint Uniform Submission Agreement signed: September 14, 2004

Statement of Answer filed by Respondent: November 11, 2004

Respondent's Uniform Submission Agreement signed: November 11, 2004

CASE SUMMARY

Claimants alleged negligence, breach of fiduciary duty, constructive fraud, fraud and deceit, failure to supervise, violation of California corporate securities acts, violation of federal securities laws, and violation of California Elder Abuse and Dependent Adult Civil Protection Act. Claimants' allegations involved various securities including, but not limited to, stock in Gadzoox Networks, InfoSpace, Worldcom, Transmeta Corp., Valley Media, Bitstream Inc., and @Home Corp.

Respondent denied the allegations of wrongdoing set forth in Claimants' Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested an unspecified amount of compensatory damages, consequential damages, disgorgement, rescission, lost opportunity costs, pain and suffering damages, treble damages, punitive damages, interest and costs, including attorney's fees.

Respondent requested dismissal of the Claimants' Statement of Claim in its entirety and costs.

OTHER ISSUES CONSIDERED AND DECIDED

On September 14, 2004, Claimants and Claimants' counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On November 11, 2004, Respondent's counsel signed a Waiver Agreement on Respondent's behalf expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

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

- 1) Respondent is liable to and shall pay Claimants the sum of \$85,000.00 in compensatory damages.
- 2) Respondent is liable to and shall pay Claimants interest at the rate of 10% per annum on \$85,000.00 from September 14, 2004, the date this claim was filed, until the date compensatory damages are paid in full.
- 3) Respondent is liable to and shall reimburse Claimants for Claimants' expert witness fees.
- 4) The parties shall, except as noted above, bear their respective costs, including attorney's fees.
- 5) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 250.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Citigroup Global Markets, Inc. (f/k/a Salomon Smith Barney, Inc.) is a party and the following fees are assessed:

Member Surcharge	= \$1,500.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$2,200.00</u>
Total Member Fees	= \$4,450.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

(1) Pre-hearing conference session with the Panel @ \$1,000.00/session	= \$1,000.00
Pre-hearing conference: January 21, 2005 1 session	
(5) Hearing sessions @ \$1,000.00/session	= \$5,000.00
Hearings: April 19, 2005 2 sessions	
April 20, 2005 2 sessions	
April 21, 2005 1 session	

Total Forum Fees	= \$6,000.00
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1. The Panel assessed \$3,000.00 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$3,000.00 of the forum fees to Respondent.

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 250.00
<u>Forum Fees</u>	<u>= \$ 3,000.00</u>
Total Fees	= \$ 3,250.00
<u>Less payments</u>	<u>= \$(1,425.00)</u>
Balance Due NASD Dispute Resolution	= \$ 1,825.00

2. Respondent is charged with the following fees and costs:

Member Fees	= \$ 4,450.00
<u>Forum Fees</u>	<u>= \$ 3,000.00</u>
Total Fees	= \$ 7,450.00
<u>Less payments</u>	<u>= \$(4,450.00)</u>
Balance Due NASD Dispute Resolution	= \$ 3,000.00

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

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ARBITRATION PANEL

Daniel M. Yamshon	-	Public Arbitrator, Presiding Chair
Terry Lloyd	-	Public Arbitrator
Robert A. Jette	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Daniel M. Yamshon
Chair, Public Arbitrator

4/22/04
Signature Date

Terry Lloyd
Public Arbitrator

Signature Date

Robert A. Jette,
Non-Public Arbitrator

Signature Date

4/25/05
Date of Service

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Terry Lloyd	-	Public Arbitrator
Robert A. Jette	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Daniel M. Yamshon
Chair, Public Arbitrator

Signature Date



Terry Lloyd
Public Arbitrator

4/22/05

Signature Date

Robert A. Jette,
Non-Public Arbitrator

Signature Date

4/25/05

Date of Service

NASD Dispute Resolution
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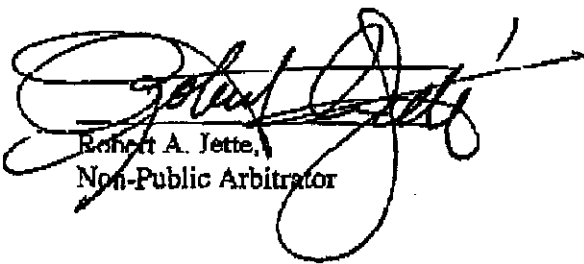
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Daniel M. Yamshon
Chair, Public Arbitrator

Signature Date

Terry Lloyd
Public Arbitrator

Signature Date


Robert A. Jette,
Non-Public Arbitrator

4/25/05
Signature Date

4/25/05
Date of Service