

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

Carrie G. Lutz

vs.

Case Number: 04-07102
Hearing Site: Dallas, Texas

Name of Respondent

Citigroup Global Markets, Inc., f/k/a
Salomon Smith Barney, Inc.

NATURE OF THE DISPUTE

Customer vs. Member

REPRESENTATION OF PARTIES

Carrie G. Lutz ("Claimant") was represented by Richard A. Lewins, Esq., Burg Simpson Eldredge Hersh Jardine PC, Dallas, Texas.

Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney Inc. ("Respondent") was represented by Thomas A. Roberts, Esq., McGlinchey Stafford, PLLC, New Orleans, Louisiana.

CASE INFORMATION

The Statement of Claim was filed on or about October 7, 2004. The Submission Agreement of Claimant was signed on or about September 28, 2004.

The Statement of Answer was filed by Respondent on or about January 10, 2005. The Submission Agreement of Respondent was signed on or about January 7, 2005 by William A. Hohaus, Director & General Counsel, Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc.

The Pre-Hearing Memorandum was filed by Respondent on or about September 22, 2006.

The Motion to Strike Respondent's Pre-Hearing Memorandum was filed by Claimant on or about September 25, 2006.

CASE SUMMARY

Claimant asserted the following causes of action: common law fraud, violations of the federal securities laws; negligence, including failure to supervise; and breach of contract. The causes of action related to the recommendation to maintain her account on margin and invested solely in one stock, Microsoft, and the recommendation and purchase of aggressive, high tech equity securities in Claimant's IRA.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: to the extent there were declines in Claimant's accounts, they were caused by the effects of the general marketplace rather than any wrongdoing on the part of Respondent; Respondent acted in a professional, ethical manner and in accord with applicable exchange and regulatory provisions; and the account was profitable while maintained at Respondent.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$500,000.00
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondent requested that the claims asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

The Claimant's Motion to Strike Respondent's Pre-Hearing Memorandum was denied at the hearing.

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 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 = \$ 300.00

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. In this matter, the member firm is Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc.

Member surcharge = \$ 1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 2,750.00

Adjournment Fees

Adjournments granted during these proceedings:

December 6-9, 2005 adjournment requested by both parties = \$ 1,125.00
May 23-25, 2006 adjournment requested by Respondent = \$ 1,125.00

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:

December 6-9, 2005 adjournment requested by both parties = \$ 300.00

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: September 7, 2005	1 session	
One (1) Pre-hearing session with Panel x \$1,125.00	= \$	1,125.00
Pre-hearing conference: February 15, 2005	1 session	
Six (6) Hearing sessions x \$1,125.00	= \$	6,750.00
Hearing Dates: September 26, 2006	2 sessions	
September 27, 2006	2 sessions	
September 28, 2006	2 sessions	
Total Forum Fees	= \$	8,325.00

The Panel has assessed \$1,125.00 of the forum fees to Carrie G. Lutz.

The Panel has assessed \$7,200.00 of the forum fees to Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc.

FEE SUMMARY

Claimant, Carrie G. Lutz, is liable for:

Initial Filing Fee	= \$	300.00
Adjournment Fee	= \$	562.50
Three-Day Cancellation Fee	= \$	150.00
Forum Fees	= \$	1,125.00
Total Fees	= \$	2,137.50
Less payments	= \$	1,425.00
Balance Due NASD Dispute Resolution	= \$	712.50

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

Member Fees	= \$	5,200.00
Adjournment Fee	= \$	1,687.50
Three-Day Cancellation Fee	= \$	150.00
Forum Fees	= \$	7,200.00
Total Fees	= \$	14,237.50
Less payments	= \$	5,912.50
Balance Due NASD Dispute Resolution	= \$	8,325.00

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

ARBITRATION PANEL

Mark L. Williams, Esq. - Public Arbitrator, Presiding Chair
James Mervin Benson, Jr., Esq. - Public Arbitrator
Richard Alan Miller - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Mark L. Williams, Esq.
Public Arbitrator, Presiding Chair

Signature Date

James Mervin Benson, Jr., Esq.
Public Arbitrator

Signature Date

Richard Alan Miller
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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James Mervin Benson, Jr., Esq. - Public Arbitrator
Richard Alan Miller - Non-Public Arbitrator

Concurring Arbitrators' Signatures:



Mark L. Williams, Esq.
Public Arbitrator, Presiding Chair

10.17.06

Signature Date

James Mervin Benson, Jr., Esq.
Public Arbitrator

Signature Date

Richard Alan Miller
Non-Public Arbitrator

Signature Date

10/18/06 

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Richard Alan Miller - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Mark L. Williams, Esq.
Public Arbitrator, Presiding Chair

Signature Date



James Mervin Benson, Jr., Esq.
Public Arbitrator

10-12-07

Signature Date

Richard Alan Miller
Non-Public Arbitrator

Signature Date

10/18/06 

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Mark L. Williams, Esq.
Public Arbitrator, Presiding Chair

Signature Date

James Mervin Benson, Jr., Esq.
Public Arbitrator

Signature Date



Richard Alan Miller
Non-Public Arbitrator

16 Oct 06
Signature Date

10/18/06 mm
Date of Service (For NASD office use only)