

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Suzanne Carruthers, Individually and in her capacity as Co-Trustee of the Suzanne and Joseph Carruthers Charitable Remainder Unit Trust U/A/D 12/30/99, and Joseph Carruthers as Co-Trustee of the Suzanne and Joseph Carruthers Trust U/A/D 12/30/99 (Claimants) vs. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and David Ridge (Respondents)

Case Number: 04-07128

Hearing Site: Cleveland, Ohio

Nature of the Dispute: Customers vs. Member and Associated Person

REPRESENTATION OF PARTIES

Claimants Suzanne Carruthers, Individually and in her capacity as Co-Trustee of the Suzanne and Joseph Carruthers Charitable Remainder Unit Trust U/A/D 12/30/99 ("S. Carruthers"), and Joseph Carruthers as Co-Trustee of the Suzanne and Joseph Carruthers Trust U/A/D 12/30/99 ("J. Carruthers"), hereinafter collectively referred to as "Claimants": Anthony J. Hartman, Esq., Hermann Cahn & Schneider LLP, Cleveland, OH. Previously represented by Hugh D. Berkson, Esq., Hermann Cahn & Schneider LLP, Cleveland, OH.

Respondents Citigroup Global Markets, Inc., ("Citigroup") and David Ridge ("Ridge"), hereinafter collectively referred to as "Respondents": Scott C. Matasar, Esq., Calfee, Halter & Griswold LLP, Cleveland, OH. Previously represented by Ellen Slipp, Esq. and Alejandro Schwed, Esq., Citigroup Global Markets, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: October 7, 2004.

Claimant S. Carruthers signed the Uniform Submission Agreement: October 5, 2004.

Claimant J. Carruthers signed the Uniform Submission Agreement: October 5, 2004.

Joint Statement of Answer filed by Respondents on or about: December 16, 2004.

Respondent Citigroup signed the Uniform Submission Agreement: December 15, 2004.

Respondent Ridge did not submit a signed Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; negligence; respondeat superior and violation of the Investment Advisers Act of 1940. The causes of action relate to various unspecified securities.

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$1,500,000.00, attorneys' fees, interest, costs, and expenses.

Respondents requested that the Statement of Claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Ridge did not file with 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 evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay to Claimants compensatory damages in the amount of \$900,000.00, plus interest at a rate of 6% per annum from the date of the award until paid.
2. Any and all relief not specifically addressed herein 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 = \$ 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 person at the time of the events giving rise to the dispute. Accordingly, Citigroup Global Markets, Inc. is a party.

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

Forum Fees and Assessments

The Panel has assessed forum fees for each 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 @ \$450.00 = \$ 450.00
Pre-hearing conference: September 13, 2005 1 session

One (1) Pre-hearing session with Panel @ \$1,200.00 = \$ 1,200.00
Pre-hearing conference: February 24, 2005 1 session

Ten (10) Hearing sessions @ \$1,200.00 = \$12,000.00
Hearing Dates: February 6, 2006 2 sessions
February 7, 2006 2 sessions
February 8, 2006 2 sessions
February 9, 2006 2 sessions
February 10, 2006 2 sessions

Total Forum Fees = \$ 13,650.00

1. The Panel has assessed \$6,825.00 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$6,825.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimants are jointly and severally solely liable for:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	= \$ 6,825.00
Total Fees	= \$ 7,325.00
<u>Less payments</u>	= \$ 1,700.00
Balance Due NASD Dispute Resolution	= \$ 5,625.00

2. Respondent Citigroup Global Markets, Inc. is solely liable for:

<u>Member Fees</u>	= \$ 8,550.00
Total Fees	= \$ 8,550.00
<u>Less payments</u>	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:


<u>Forum Fees</u>	= \$ 6,825.00
Total Fees	= \$ 6,825.00
<u>Less payments</u>	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 6,225.00

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

ARBITRATION PANEL

James Patrick Graven, J.D.	-	Public Arbitrator, Presiding Chairperson
Thomas R. Skulina, Esq.	-	Public Arbitrator
Marilyn E. Pierson, CFP	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


James Patrick Graven, J.D.
Public Arbitrator, Presiding Chairperson

2-15-2006
Signature Date

Thomas R. Skulina, Esq.
Public Arbitrator

Signature Date

Marilyn E. Pierson, CFP
Non-Public Arbitrator

Signature Date

February 17, 2006

Date of Service (For NASD Dispute Resolution use only)

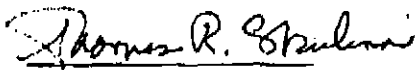
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Marilyn E. Pierson, CFP	-	Non-Public Arbitrator

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James Patrick Graven, J.D.
Public Arbitrator, Presiding Chairperson

Signature Date


Thomas R. Skulina, Esq.
Public Arbitrator

2-16-06
Signature Date

Marilyn E. Pierson, CFP
Non-Public Arbitrator

Signature Date

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2/15/06

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