

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

John T. Yannielli and Sandra B. Yannielli (Claimants) vs. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, and David L. Ivanovich, Jr. (Respondents)

Case Number: 04 -07466

Hearing Site: Hartford, Connecticut

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

REPRESENTATION OF PARTIES

Claimants John T. Yannielli ("J. Yannielli") and Sandra B. Yannielli ("S. Yannielli"), hereinafter collectively referred to as "Claimants": Bruce H. Babitt, Esq., Abrams Garfinkel Margolis Bergson, LLP New York, NY.

Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney ("Citigroup") and David L. Ivanovich, Jr. ("Ivanovich"), hereinafter collectively referred to as "Respondents": Dennise Mulvihill, Esq., Bressler, Amery & Ross, P.C., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: October 22, 2004.

J. Yannielli signed the Uniform Submission Agreement: October 28, 2004.

S. Yannielli signed the Uniform Submission Agreement: October 28, 2004.

Statement of Answer filed by Respondents on or about: January 11, 2005.

Citigroup signed the Uniform Submission Agreement: January 18, 2005.

Ivanovich signed the Uniform Submission Agreement: January 28, 2005.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract, breach of fiduciary duty, fraud, negligent misrepresentation, constructive fraud, respondeat superior, civil conspiracy, and accounting. The causes of action relate to the purchase of MFS Communications, Inc. and WorldCom, Inc.'s stocks.

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 \$1,000,000.00, punitive damages

in the amount of \$500,000.00, attorneys' fees, costs, disbursements, forum fees, and such other relief as the Panel deems just and appropriate.

Respondents requested dismissal of the Statement of Claim in its entirety with prejudice, award of costs of the arbitration against Claimants, and such other relief the Panel may deem appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

By agreement of the parties, a stipulation of dismissal with prejudice was entered in favor of Richard Pignone with respect to all claims in this arbitration because Mr. Pignone was erroneously named as a respondent in this matter.

At the hearing in this matter, Respondents filed a Motion for a Directed Verdict. After due deliberation, the Panel granted the Motion.

At the hearing in this matter, Respondents requested expungement for Ivanovich and Pignone. After due deliberation, the Panel granted the Motion For Expungement for David L. Ivanovich, Jr. and Richard Pignone.

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, 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. Claimants' claims are denied in their entirety.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent David L. Ivanovich, Jr.'s registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondent David L. Ivanovich, Jr. must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130, the arbitration panel has made the following affirmative findings of fact:

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Richard Pignone's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to

Members 04-16, Respondent Richard Pignone must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130, the arbitration panel has made the following affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

4. Each party is to bear its own costs, including attorneys' fees.
5. All forum fees are assessed against the Claimants.
6. 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:

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|--------------------------|-------------|
| 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 persons 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 |

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

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|---|---------------|
| October 18, 19 & 20, 2005, adjournment by Claimants and Respondents | = \$ 1,200.00 |
| Claimants' share (jointly and severally) | = \$ 600.00 |
| Respondents' share (jointly and severally) | = \$ 600.00 |

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 Panel @ \$1,200.00/session | = \$ 1,200.00 |
| Pre-hearing conference: March 31, 2005 1 session | |

| | | |
|---|------------------|---------------|
| Six (6) Hearing sessions @ \$1,200.00/session | | = \$ 7,200.00 |
| Hearing Dates: | January 18, 2006 | 2 sessions |
| | January 19, 2006 | 2 sessions |
| | January 20, 2006 | 2 sessions |

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|------------------|---------------|
| Total Forum Fees | = \$ 8,400.00 |
|------------------|---------------|

1. The Panel has assessed \$8,400.00 of the forum fees to Claimants.

Fee Summary

1. Claimants are liable for:

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|-------------------------------------|---------------|
| Initial Filing Fee | = \$ 500.00 |
| Adjournment Fee | = \$ 600.00 |
| Forum Fees | = \$ 8,400.00 |
| Total Fees | = \$ 9,500.00 |
| <u>Less payments</u> | = \$ 2,300.00 |
| Balance Due NASD Dispute Resolution | = \$ 7,200.00 |

2. Citigroup is solely liable for:

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|-------------------------------------|---------------|
| <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>Adjournment Fee</u> | = \$ 600.00 |
| Total Fees | = \$ 600.00 |
| <u>Less payments</u> | = \$ 600.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

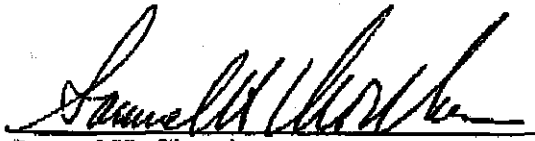
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Samuel H. Chorchos, Esq.
Alun Hywel Jones
Dennis C. Cronin

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures



Samuel H. Chorchos, Esq.
Public Arbitrator, Presiding Chairperson

1/27/06
Signature Date

Alun Hywel Jones
Public Arbitrator

Signature Date

Dennis C. Cronin
Non-Public Arbitrator

Signature Date

JANUARY 30, 2006
Date of Service (For NASD Dispute Resolution use only)


ARBITRATION PANEL

| | |
|--------------------------|--|
| Samuel H. Chorchas, Esq. | - Public Arbitrator, Presiding Chairperson |
| Alun Hywel Jones | - Public Arbitrator |
| Dennis C. Cronin | - Non-Public Arbitrator |

Concurring Arbitrators' Signatures

Samuel H. Chorchas, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Alun Hywel Jones
Public Arbitrator

January 27, 2006
Signature Date

Dennis C. Cronin
Non-Public Arbitrator

Signature Date

JANUARY 30, 2006
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Samuel H. Chorchos, Esq.
Alun Hywel Jones
Dennis C. Cronin

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator
- Non-Public Arbitrator


Concurring Arbitrators' Signatures

Samuel H. Chorchos, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Alun Hywel Jones
Public Arbitrator

Signature Date



Dennis C. Cronin
Non-Public Arbitrator

1/30/06

Signature Date

JANUARY 30, 2006

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