

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

William D. Arndt and Lori L. Arndt, Claimants v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., Respondent

Case Number: 04-07556

Hearing Site: Phoenix, Arizona

Nature of the Dispute: Customers v. Member

REPRESENTATION OF PARTIES

For Claimants:

A. Daniel Woska, Esq.
Woska & Hayes, LLP
Oklahoma City, Oklahoma

For Respondent:

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

CASE INFORMATION

Statement of Claim filed: October 21, 2004

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

Statement of Answer filed by Respondent: December 23, 2004

Respondent's Uniform Submission Agreement signed: December 22, 2004

CASE SUMMARY

Claimants alleged breach of fiduciary duty, breach of contract, unsuitability, and violations of the securities laws, involving unspecified securities.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in excess of \$50,000.00, unspecified punitive damages, all charges to the account, the lost earnings on the account, pre-judgment interest at the maximum statutory rate, that the panel submit a report of its findings to the NYSE and NASD, and costs, including attorney's fees.

Respondent requested dismissal of the Claimants' Statement of Claim in its entirety and that all costs be assessed to the Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

Claimant Lori L. Arndt did not appear at the hearing.

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) Claimants' claims are denied in their entirety.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the *Code of Arbitration Procedure* ("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	= \$ 175.00
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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	= \$ 875.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 1,000.00
Total Member Fees	= \$ 2,625.00

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 arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing conference session with the Panel @ \$600.00/session	= \$ 600.00
Pre-hearing conference: February 18, 2005	1 session

Four (4) Hearing sessions @ \$600.00/session	= \$ 2,400.00
Hearings: May 17, 2005	2 sessions
May 18, 2005	2 sessions

Total Forum Fees	= \$ 3,000.00
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1. The Panel assessed \$1,500.00 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$1,500.00 of the forum fees to Respondent.

Fee Summary

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

Initial Filing Fee	= \$ 175.00
Forum Fees	= \$ 1,500.00
Total Fees	= \$ 1,675.00
Less payments	= \$(1,600.00)
Balance Due NASD Dispute Resolution	= \$ 75.00

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


Member Fees	= \$ 2,625.00
Forum Fees	= \$ 1,500.00
Total Fees	= \$ 4,125.00
Less payments	= \$(4,375.00)
Refund Due Respondent	= \$(250.00)

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.

ARBITRATION PANEL

Seymour A. Kolman	-	Public Arbitrator, Presiding Chair
Richard I. Topus	-	Public Arbitrator
Myron Gackenbach	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Seymour A. Kolman
Chair, Public Arbitrator

5/26/05

Signature Date

Richard I. Topus
Public Arbitrator

Signature Date

Myron Gackenbach
Non-Public Arbitrator

Signature Date

5/27/05

Date of Service


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Public Arbitrator



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