

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc., Claimant v. Neil C. Winterrowd, Respondent

Neil C. Winterrowd, Counter-Claimant v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc., Counter-Respondent

Case Number: 05-00405

Hearing Site: Los Angeles, California

Nature of the Dispute: Member v. Associated Person
Associated Person v. Member

REPRESENTATION OF PARTIES

For Claimant/Counter-Respondent
Citigroup Global Markets Inc. f/k/a
Salomon Smith Barney Inc.
("Citigroup"):

Jerry N. Evans, Esq.
Hillis Clark Martin & Peterson PS
Seattle, Washington

For Respondent/Counter-Claimant
Neil C. Winterrowd ("Winterrowd"):

Gregory Sherwin, Esq.
Fields, Fehn & Sherwin
Los Angeles, California

CASE INFORMATION

Statement of Claim dated: January 25, 2005

Citigroup's Uniform Submission Agreement signed: January 19, 2005

Statement of Answer and Counterclaim filed by Winterrowd: March 29, 2005

Winterrowd's Uniform Submission Agreement signed: March 28, 2005

CASE SUMMARY

Citigroup alleged breach of contract involving a promissory note.

Winterrowd denied the allegations of wrongdoing set forth in Citigroup's Statement of Claim

Winterrowd filed a Counterclaim alleging breach of contract, misrepresentation, conversion, and violation of the California Labor Code.

RELIEF REQUESTED

Citigroup requested \$139,153.38 in compensatory damages, pre-judgment interest at the rate of 10% per annum, post-award interest at the highest legal rate, and costs, including attorney's fees.

Winterrowd requested dismissal of Citigroup's Statement of Claim in its entirety.

In his Counterclaim, Winterrowd unspecified compensatory damages.

OTHER ISSUES CONSIDERED AND DECIDED

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

FINDINGS

The arbitrators reviewed the testimony of the witnesses and the evidence presented to render an equitable and reasonable resolution.

There were significant differences in the recollection of the testifying parties concerning the discussions that took place during the negotiations with respect to Mr. Winterrowd's employment with Citigroup. It appears that elements of the recruitment incentive package that were critical to Mr. Winterrowd were not fairly represented. Had these elements been openly discussed, Mr. Winterrowd would not have accepted employment with Citigroup.

Soon after Mr. Winterrowd's employment, Citigroup significantly changed the structure of the incentive package, making reductions and eliminations of key elements that were detrimental to Mr. Winterrowd's economic potential. As well, Mr. Winterrowd had no warning, advisory or control over such changes. The resultant employer/employee relationship could not meet Mr. Winterrowd's objective reasonable expectations and no longer resembled the original employment agreement.

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) The forgivable promissory note is hereby excused and Claimant Citigroup Global Markets, Inc.'s claims are denied in their entirety.
- 2) Counter-Claimant Neil C. Winterrowd's claims are denied in their entirety.
- 3) The parties shall bear their respective costs, including attorney's fees.
- 4) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the NASD 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:

Citigroup Global Markets, Inc.'s Initial claim filing fee	= \$ 1,000.00
Neil C. Winterrowd Counterclaim filing fee	= \$ 250.00

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. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 2,750.00
Total Member Fees	= \$ 5,200.00

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:

One (1) Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$1,125.00
Pre-hearing conference: August 26, 2005 1 session	
Two (2) Hearing sessions @ \$1,125.00/session	= \$2,250.00
Hearing: March 14, 2006 2 sessions	
Total Forum Fees	= \$3,375.00

1. The Panel assessed \$1,687.50 of the forum fees to Citigroup Global Markets, Inc.
2. The Panel assessed \$1,687.50 of the forum fees to Neil C. Winterrowd.

Fee Summary

1. Citigroup Global Markets, Inc. is charged with the following fees and costs:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	<u>= \$ 1,687.50</u>
Total Fees	= \$ 7,887.50
<u>Less payments</u>	<u>= \$(7,325.00)</u>
Balance Due NASD Dispute Resolution	= \$ 562.50

2. Neil C. Winterrowd is charged with the following fees and costs:

Counterclaim Filing Fee	= \$ 250.00
<u>Forum Fees</u>	<u>= \$ 1,687.50</u>
Total Fees	= \$ 1,937.50
<u>Less payments</u>	<u>= \$ (0.00)</u>
Balance Due NASD Dispute Resolution	= \$ 1,937.50

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.

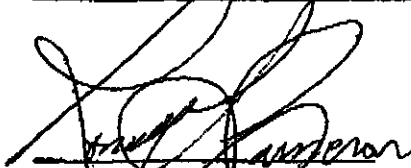
ARBITRATION PANEL

Ronald L. Cameron
Barbara Faye Vosen
Kenneth I. Rosenblum

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Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures



Ronald L. Cameron
Chair, Public Arbitrator

3/20/06
Signature Date

Barbara Faye Vosen
Public Arbitrator

Signature Date

Kenneth I. Rosenblum
Non-Public Arbitrator

Signature Date

March 20, 2006
Date of Service

ARBITRATION PANEL

<i>Ronald L. Cameron</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Barbara Faye Vosen</i>	-	<i>Public Arbitrator</i>
<i>Kenneth I. Rosenblum</i>	-	<i>Non-Public Arbitrator</i>

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Non-Public Arbitrator

Signature Date

March 20, 2006

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Public Arbitrator

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Non-Public Arbitrator

3/20/06
Signature Date

March 21, 2006
Date of Service