

**Amended Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:
Ibrahim Khan, Claimant v. Citigroup Global Markets Inc. f/k/a Salomon Smith Barney
Inc. and John D. Bacich, Respondents

Case Number: 05-01031

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimant:

Douglas A. Ames, Esq.
Law Office of Douglas A. Ames
Huntington Beach, California

For Respondents:

Michele R. Fron, Esq.
Bentley P. Stansbury III
Keesal Young & Logan
Long Beach, California

CASE INFORMATION

Statement of Claim filed: February 25, 2005

Claimant's Uniform Submission Agreement signed: February 11, 2005

Statement of Answer filed by Respondents: May 5, 2005

Respondent John D. Bacich's Uniform Submission Agreement signed: May 4, 2005

Respondent Citigroup Global Markets Inc.'s Uniform Submission Agreement signed:
May 5, 2005

CASE SUMMARY

Claimant alleged breach of contract, breach of fiduciary duty, unsuitability, unauthorized trading, churning, fraudulent misrepresentation and concealment, negligent misrepresentation, conversion, and failure to supervise. Claimant's allegations involved

the alleged over-concentration of Claimant's accounts in Class B shares of mutual funds, including but not limited to the following: Alliance Technology, Alliance Worldwide Privatization, Van Kampen Emerging Growth, and Fidelity Advisor Healthcare. Claimant's churning allegations involved unspecified stocks.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and set forth various affirmative defenses.

RELIEF REQUESTED

Claimant requested unspecified compensatory damages, pre-judgment and post-judgment interest, punitive damages, and costs, including attorney's fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety, expungement of all reference to the above-captioned arbitration from Respondent John D. Bacich's registration records maintained by the NASD Central Registration Depository, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On February 11, 2005 Claimant and Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

On March 1, 2006 a Stipulated Award was served recommending the expungement of all reference to the above-captioned arbitration from Respondent John D. Bacich's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent John D. Bacich must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

On March 20, 2006 the parties submitted an Amended Stipulated Award that incorporated the language required by NASD Conduct Rule 2130. The Panel declined to sign the award without first holding a hearing.

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

AWARD

After considering the pleadings and the Parties' request for this Stipulated Award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant and Respondents have entered into a confidential settlement agreement.
- 2) Claimant's claims are dismissed with prejudice.
- 3) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent John D. Bacich's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent John D. Bacich 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) The parties shall bear their respective costs, including attorney's fees.
- 5) All other relief requested and not expressly granted, including Claimant's request for punitive damages, is denied.

FEES

Pursuant to the 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 = \$ 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	= \$1,500.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$2,200.00
Total Member Fees	= \$4,450.00

Adjournment Fees

The following adjournment fees are assessed:

January 3 – 5, 2006 adjournment requested by the parties = \$1,000.00

- 1 The Panel assessed \$500.00 of the adjournment fee to Claimant.
- 2 The Panel assessed \$500.00 of the adjournment fee jointly and severally to Respondents.

Three-Day Cancellation Fees

Three-day cancellation fees apply when a hearing on the merits is postponed or settled within three business days before the start of the first scheduled hearing session. The following three-day cancellation fees are assessed:

Cancellation of the January 3 – 5, 2006 hearings dates: = \$ 300.00

1. The Panel assessed \$150.00 of the three-day cancellation fee to Claimant.
2. The Panel assessed \$150.00 of the three-day cancellation fee jointly and severally to Respondents.

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/Panel. The following fees are assessed:

One (1) Pre-hearing conference session with the Panel @ \$1,000.00/session		= \$1,000.00
Pre-hearing conference: July 7, 2005	1 session	
One (1) Hearing session with the Panel @ \$1,000.00/session		= \$1,000.00
Hearing: December 1, 2006	1 session	
Total Forum Fees		= \$2,000.00

1. The Panel assessed \$500.00 of the forum fees to Claimant.
2. The Panel assessed \$1,500.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 250.00
Adjournment Fee	= \$ 500.00
Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$ 500.00
<u>Total Fees</u>	<u>= \$ 1,400.00</u>
<u>Less payments</u>	<u>= \$(1,400.00)</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent Citigroup Global Markets Inc. is charged with the following fees and costs:

Member Fees	= \$ 4,450.00
<u>Less payments</u>	<u>= \$(4,450.00)</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Citigroup Global Markets Inc. and John D. Bacich are charged jointly and severally with the following fees and costs:


Adjournment Fee	= \$ 500.00
Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$ 1,500.00
<u>Total Fees</u>	<u>= \$ 2,150.00</u>
<u>Less payments by Citigroup Global Markets Inc.</u>	<u>= \$(1,150.00)</u>
Balance Due NASD Dispute Resolution	= \$ 1,000.00

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.

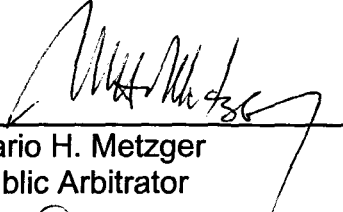
ARBITRATION PANEL

Bruce A. Davidson	-	Public Arbitrator, Presiding Chair
Mario H. Metzger	-	Public Arbitrator
Lawrence Yaeger	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Bruce A. Davidson
Chair, Public Arbitrator

12/1/06
Signature Date


Mario H. Metzger
Public Arbitrator

12/1/06
Signature Date


Lawrence Yaeger
Non-Public Arbitrator

12/1/06
Signature Date

12/1/06
Date of Service