

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimant

Maxine J. Borders

and

Case Number: 05-01483
Hearing Site: Southfield, Michigan

Respondents

Citigroup Global Markets, Inc.
f/k/a Salomon Smith Barney, Inc.,
and Monica Michele Gobba

NATURE OF DISPUTE

Customer v. Member and Associated Person

REPRESENTATION OF PARTIES

Maxine J. Borders ("Claimant") was represented by Anthony V. Trogan, Esq., Law Offices of Anthony V. Trogan, P.L.L.C., West Bloomfield, Michigan.

Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Monica Michele Gobba ("Gobba"), hereinafter collectively referred to as "Respondents," were represented by Raul Sanchez, Esq., Citigroup Global Markets, Inc., New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about March 21, 2005. The Submission Agreement of Maxine J. Borders was signed on or about March 23, 2005.

The Statement of Answer was filed jointly by Respondents on or about May 13, 2005. The Submission Agreement of Citigroup was signed on or about May 12, 2005, by Raul Sanchez. The Submission Agreement of Gobba was signed on or about May 13, 2005.

CASE SUMMARY

Claimant asserted the following legal theories in support of her claim: breach of contract, common law fraud, conspiracy, promissory estoppel, negligence, malpractice, breach of fiduciary duty, and breach of Michigan securities law. The causes of action related to Claimant's allegation that Respondents recommended unsuitable investments, including the Anchor National Life Polaris II Variable Annuity, and mutual funds such as Alliance premium Growth and Fidelity Advisors Growth, that were not suitable for her conservative investment objectives.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to state any cause of action upon which relief can be granted; all actions that Respondents took relating to Claimant and her accounts were directed or authorized by Claimant; Claimant's claims, in whole or in part, are time-barred; and the damages claimed by Claimant are barred or limited since Claimant failed to mitigate her damages.

RELIEF REQUESTED

Claimant requested:

Compensatory damages	\$ 225,000.00
Punitive/Exemplary Damages	\$ unspecified
Interest	\$ unspecified
Attorneys' Fees	\$ unspecified
Other Costs	\$ unspecified
Other Monetary/Non-Monetary Relief, including:	rescission, additional relief alternate damages

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Respondents, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and Monica Michele Gobba, are jointly and severally liable for and shall pay to Claimant, Maxine J. Borders, the sum of \$101,000.00 in compensatory damages;
- 2.) Respondents, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and Monica Michele Gobba, are jointly and severally liable for and shall pay to Claimant, Maxine J. Borders, the sum of \$15,000.00 in attorneys' fees pursuant to Michigan statute and common law;

- 3.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 4.) Any relief not specifically enumerated, including punitive damages, is hereby denied with prejudice.

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 = \$ 300.00

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. In this matter, the member firm is Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,750.00

Forum Fees and Assessments

The Panel has assessed forum fees for each hearing session conducted and each decision rendered on a discovery-related motion on the papers. A hearing 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:

Two (2) Pre-hearing sessions with Panel x \$1,125.00	= \$ 2,250.00
Pre-hearing conferences: August 23, 2005 1 session	
May 15, 2006 1 session	
Six (6) Hearing sessions x \$1,125.00	= \$ 6,750.00
Hearing Dates: May 23, 2006 2 sessions	
May 24, 2006 2 sessions	
May 25, 2006 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$ 9,000.00

The Arbitration Panel has assessed \$9,000.00 of the forum fees jointly and severally to Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., and Monica Michele Gobba.

Fee Summary

Claimant, Maxine J. Borders, is liable for:

<u>Initial Filing Fee</u>	= \$ 300.00
<u>Total Fees</u>	= \$ 300.00
<u>Less payments</u>	= \$ 1,425.00
Balance Refunded by NASD Dispute Resolution	= \$ 1,125.00

Respondent, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., is liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and Monica Michele Gobba, are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 9,000.00
<u>Total Fees</u>	= \$ 9,000.00
<u>Less payments</u>	= \$ 650.00
Balance Due NASD Dispute Resolution	= \$ 8,350.00

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

ARBITRATION PANEL

Peter P. Cobbs, Esq. - Public Arbitrator, Presiding Chair
Veronique M. Liem, Esq. - Public Arbitrator
Joseph H. Mizzi - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Peter P. Cobbs, Esq.
Peter P. Cobbs, Esq.
Public Arbitrator, Presiding Chair

May 26, 2006
Signature Date

/s/ Veronique M. Liem, Esq.
Veronique M. Liem, Esq.
Public Arbitrator

Signature Date

/s/ Joseph H. Mizzi
Joseph H. Mizzi
Non-Public Arbitrator

May 26, 2006
Signature Date

May 26, 2006
Date of Service (For NASD office use only)

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Veronique M. Liem, Esq. - Public Arbitrator
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Signature Date

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Public Arbitrator

Signature Date



Joseph H. Mizzi
Non-Public Arbitrator

5-26-06

Signature Date

Date of Service (For NASD office use only)