

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Judith S. Kalman

and

05-01549
Chicago, Illinois

Name of Respondents

Citigroup Global Markets, Inc.

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

Judith S. Kalman ("**Claimant**") was represented by John J. Muldoon, III, Esq., Muldoon & Muldoon, P.C., Chicago, Illinois.

Citigroup Global Markets, Inc. ("**Respondent Citigroup**") was represented by Joseph L. Calabrese, Esq., Citigroup Global Markets, Inc., New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about March 24, 2005. Submission Agreement of Claimant Judith S. Kalman was signed on March 2, 2005.

Statement of Answer was filed by Respondent Citigroup Global Markets, Inc. on or about July 13, 2005. Submission Agreement of Respondent Citigroup Global Markets, Inc. was signed on July 12, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: fraud, breach of fiduciary duty, suitability and violation of Illinois Consumer Fraud and Deceptive Business Practices Act. The causes of action relate to the allegations that there was excessive trading of Claimant's accounts.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated in their Answer:

Golde made every attempt to help Claimant reach her investment goals. He implemented a two-tier strategy for tax deferred long-term growth and short-term income generation. He made investments designed for the long term and his Client liquidated her account in only 18 months. There is no way to fairly judge a long-term strategy after this incredibly short length of time. Had Claimant stayed with the commitment she made when she opened the accounts, they would be recovering today. Loss in value does not equal unsuitability. In addition, Golde did not and could not have excessively traded the accounts; at a minimum those counts of the Statement of Claim should be dismissed before the commencement of the hearing.

RELIEF REQUESTED

Claimant requested an award in the amount of \$350,000.00 in compensatory damages, \$150,000.00 in punitive damages, plus interest, costs and attorney's fees.

Respondent 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 the NASD Dispute Resolution (the "NASD").

AWARD

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

1. Respondent Citigroup Global Markets, Inc. is liable for and shall pay to Claimant Judith S. Kalman the sum of \$39,269.00 (thirty-nine thousand two hundred sixty-nine and no cents) as compensatory damages.
2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm(s) is Citigroup Global Markets, Inc.

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 Arbitration Panel assesses forum fees for each hearing session conducted or each decision rendered on a discovery-related motion on the papers. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing session(s) with Panel	@	1,125.00	\$	1,125.00
September 19, 2005	1 session			
4 Hearing sessions	@	1,125.00	\$	4,500.00
March 7, 2006	2 sessions			
March 8, 2006	2 sessions			
Total Forum Fees			\$	5,625.00

The Arbitration Panel has assessed \$5,625.00 of the forum fees to Citigroup Global Markets, Inc.

Fee Summary

Claimant, Judith S. Kalman, is liable for:

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

Respondent, Citigroup Global Markets, Inc., is liable for:

Member Fees	= \$	5,200.00
<u>Forum Fees</u>	= \$	5,625.00
Total Fees	= \$	10,825.00
<u>Less payments</u>	= \$	-5,200.00
Balance Due NASD Dispute Resolution	= \$	5,625.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Terry F. Peppard, Esq. - Public Arbitrator, Presiding Chair
Alan S. Farnell, Esq. - Public Arbitrator
James K. Say, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Terry F. Peppard
Terry F. Peppard, Esq.
Public Arbitrator, Presiding Chair

03/22/06
Signature Date

/s/ Alan S. Farnell
Alan S. Farnell, Esq.
Public Arbitrator

03/21/06
Signature Date

/s/ James K. Say
James K. Say, Esq.
Non-Public Arbitrator

03/21/06
Signature Date

3/23/06
Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 05-01549
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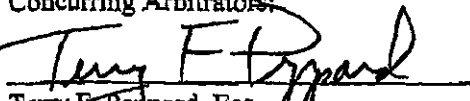
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Alan S. Farnell
Alan S. Farnell, Esq.
Public Arbitrator

James K. Say, Esq.
Non-Public Arbitrator

Signature Date

March 21, 2006
Signature Date

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution
 Arbitration No. 05-01549
 Award Page 4 of 4

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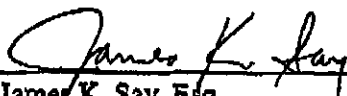
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 Terry F. Peppard, Esq.
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 Public Arbitrator

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 James K. Say, Esq.
 Non-Public Arbitrator

3-21-06

 Signature Date

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