

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

Laura Latham, Guardian for Jessica Latham
Until Majority 07/18/08

vs.

Case Number: 05-06334
Hearing Site: Chicago, Illinois

Name of Respondent

Citigroup Global Markets, Inc.

NATURE OF THE DISPUTE

Customer vs. Member

REPRESENTATION OF PARTIES

Laura Latham, Guardian for Jessica Latham Until Majority 07/18/08 ("Claimant") was represented by Paul W. Thomas, Esq., Thomas & Ataie L.L.P., Carlsbad, California.

Citigroup Global Markets, Inc. ("Respondent") was represented by Adam Kauff, Esq., Citigroup Global Markets, Inc., New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about December 12, 2005. The Submission Agreement of Claimant was signed on or about December 20, 2005.

The Statement of Answer was filed by Respondent on or about February 23, 2006. The Submission Agreement of Respondent was signed on or about February 22, 2006, by Adam Kauff.

CASE SUMMARY

Claimant asserted the following causes of action: negligence, unsuitable recommendations, unauthorized trading, breach of fiduciary duty, and failure to supervise. The causes of action related to Claimant's allegations that Claimant's accounts decreased in value as a result of Respondent's unsuitable and unauthorized trading. Claimant alleged that Respondent invested Claimant's accounts in unspecified securities in a manner contrary to Claimant's conservative investment objectives.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim fails to state a claim for which relief can be granted, all claims are barred by the six-year eligibility rule, and Claimant is barred from recovery because she authorized and/or ratified all transactions complained of.

RELIEF REQUESTED

Claimant requested an award in the amount of:

| | |
|-----------------------------|--------------|
| Actual/Compensatory Damages | \$157,050.00 |
| Exemplary/Punitive Damages | Unspecified |
| Attorneys' Fees | Unspecified |
| Other Costs | Unspecified |

Respondent requested that the claims asserted against it be denied in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

At the hearing, after the close of Claimant's case, Claimant moved for a directed verdict and Respondent moved for summary judgment. Both motions were taken under advisement and both are denied herein.

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.

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the Panel has 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, Laura Latham, Guardian for Jessica Latham Until Majority 07/18/08, the sum of \$49,000.00 in compensatory damages;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) Any relief not specifically enumerated, including punitive damages, sanctions, and attorneys' fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee 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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is Citigroup Global Markets, 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 or each decision rendered on a discovery-related motion on the papers. 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:

Two (2) Pre-hearing sessions with a single arbitrator x \$450.00 = \$ 900.00
Pre-hearing conferences: October 16, 2006 1 session
January 9, 2007 1 session

One (1) Pre-hearing session with Panel x \$1,125.00 = \$ 1,125.00
Pre-hearing conference: May 2, 2006 1 session

Four (4) Hearing sessions x \$1,125.00 = \$ 4,500.00
Hearing Dates: January 23, 2007 2 sessions
January 24, 2007 2 sessions

Total Forum Fees = \$ 6,525.00

The Panel has assessed \$3,262.50 of the forum fees to Laura Latham, Guardian for Jessica Latham Until Majority 07/18/08.

The Panel has assessed \$3,262.50 of the forum fees to Citigroup Global Markets, Inc.

FEE SUMMARY

Claimant, Laura Latham, Guardian for Jessica Latham Until Majority 07/18/08, is liable for:

| | |
|-------------------------------------|---------------|
| Initial Filing Fee | = \$ 300.00 |
| Forum Fees | = \$ 3,262.50 |
| Total Fees | = \$ 3,562.50 |
| Less payments | = \$ 1,425.00 |
| Balance Due NASD Dispute Resolution | = \$ 2,137.50 |

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

| | |
|-------------------------------------|---------------|
| Member Fees | = \$ 5,200.00 |
| Forum Fees | = \$ 3,262.50 |
| Total Fees | = \$ 8,462.50 |
| Less payments | = \$ 5,200.00 |
| Balance Due NASD Dispute Resolution | = \$ 3,262.50 |

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

ARBITRATION PANEL

Thomas F. Mahoney, Esq. - Public Arbitrator, Presiding Chair
Theodore M. Utchen, Esq. - Public Arbitrator
Thomas M. Lehner - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ Thomas F. Mahoney, Esq.
Thomas F. Mahoney, Esq.
Public Arbitrator, Presiding Chair

01/29/07
Signature Date

/s/ Theodore M. Utchen, Esq.
Theodore M. Utchen, Esq.
Public Arbitrator

01/29/07
Signature Date

/s/ Thomas M. Lehner
Thomas M. Lehner
Non-Public Arbitrator

01/29/07
Signature Date

01/29/07
Date of Service (For NASD office use only)

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Thomas F. Mahoney, Esq.
Public Arbitrator, Presiding Chair

29 JAN 07
Signature Date

Theodore M. Utchen, Esq.
Public Arbitrator

Signature Date

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Thomas M. Lehner - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Thomas F. Mahoney, Esq.
Public Arbitrator, Presiding Chair

Theodore M. Utchen
Theodore M. Utchen, Esq.
Public Arbitrator

Signature Date

Jan. 29, 2007
Signature Date

Thomas M. Lehner
Non-Public Arbitrator

Signature Date

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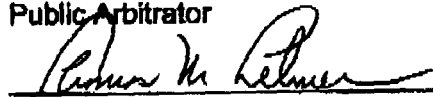
Concurring Arbitrators' Signatures:

Thomas F. Mahoney, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Theodore M. Utchen, Esq.
Public Arbitrator

Signature Date



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Non-Public Arbitrator

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