

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

Frank G. Savage

vs.

Case Number: 06-01569
Hearing Site: Houston, Texas

Name of Respondent

Citigroup Global Markets, Inc.
f/k/a Salomon Smith Barney, Inc.

NATURE OF THE DISPUTE

Associated Person vs. Member

REPRESENTATION OF PARTIES

Frank G. Savage ("Claimant" or "Savage") was represented by Mark Siurek, Esq., Warren & Siurek, LLP, Houston, Texas.

Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Respondent") was represented by Matthew B. Henneman, Esq., Watt, Beckworth, Thompson & Henneman, LLP, Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about March 27, 2006. The Submission Agreement of Claimant, Frank G. Savage, was signed but not dated.

The Statement of Answer was filed by Respondent, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., on or about June 1, 2006. The Submission Agreement of Respondent, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., was signed on or about May 24, 2006.

CASE SUMMARY

Claimant asserted the following causes of action: breach of employment agreement; conversion of money, assets, information, and materials; quantum meruit/unjust enrichment; Texas Theft Liability Act; harmful access by computer; breach of fiduciary duty; and intentional intrusion on seclusion-invasion of privacy. Claimant alleged that

following the termination of his employment, Respondent failed and refused to comply with its agreement regarding compensation and benefits with Savage despite the fact that he met all of his obligations and conditions precedent under the terms of their agreement. Claimant also alleged that Respondent wrongfully appropriated funds and personal property belonging to Claimant, which Respondent converted for its own use.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant's claim failed to state a claim upon which relief can be granted; Claimant erroneously claimed that Respondent converted certain funds; under Texas law, because Claimant is seeking reimbursement, Claimant cannot maintain a conversion claim; Claimant failed to identify and Respondent denied that any agreement existed obligating Respondent to reimburse Claimant for any such expenses or advances; and Respondent denied that any fiduciary duty existed between it and Savage.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	Unspecified
Exemplary/Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

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

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. f/k/a Salomon Smith Barney, Inc., is liable for and shall pay to Claimant, Frank G. Savage, the sum of \$15,000.00 in compensatory damages; and

- 2.) Respondent, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., is liable for and shall pay to Claimant, Frank G. Savage, the sum of \$2,427.00 in costs;
- 3.) Respondent, Citigroup Global Markets, Inc., shall return to Claimant, Frank G. Savage, all personal items, books, pictures, personal files and pictures, not including computers and computer software; and
- 4.) Any relief not specifically enumerated, including punitive damages 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 = \$ 250.00

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 = \$ 1,500.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 2,200.00

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:

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: October 4, 2006 1 session

One (1) Pre-hearing session with Panel x \$1,000.00 = \$ 1,000.00

Pre-hearing conference: September 25, 2006 1 session

Three (3) Hearing sessions x \$1,000.00 = \$ 3,000.00

Hearing Date: February 6, 2007 3 sessions

Total Forum Fees = \$ 4,450.00

The Panel has assessed \$4,450.00 of the forum fees to Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.

FEE SUMMARY

Claimant, Frank G. Savage, is liable for:

Initial Filing Fee	= \$ 250.00
Total Fees	= \$ 250.00
Less payments	= \$ 1,250.00
Refund Due Claimant	= \$ 1,000.00

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

Member Fees	= \$ 4,450.00
Forum Fees	= \$ 4,450.00
Total Fees	= \$ 8,900.00
Less payments	= \$ 4,450.00
Balance Due NASD Dispute Resolution	= \$ 4,450.00

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

ARBITRATION PANEL

Larry J. Craddock, Esq. - Public Arbitrator, Presiding Chair
Robert W. Lawless, PhD - Public Arbitrator
Dolores Martin - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ Larry J. Craddock, Esq.
Larry J. Craddock, Esq.
Public Arbitrator, Presiding Chair

February 13, 2007
Signature Date

/s/ Robert W. Lawless, PhD
Robert W. Lawless, PhD
Public Arbitrator

February 14, 2007
Signature Date

/s/ Dolores Martin
Dolores Martin
Non-Public Arbitrator


February 13, 2007
Signature Date

February 13, 2007
Date of Service (For NASD office use only)

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2/13/07

Signature Date

Signature Date

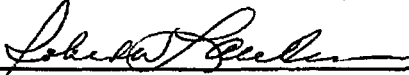
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Public Arbitrator

Signature Date


February 14 2007
Signature Date

Dolores Martin
Non-Public Arbitrator

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