

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Wai-Fung Chang and
Wen-En Chang

Case Number: 03-05213

Name of the Respondents

Citigroup Global Markets, Inc. and
David E. Lin.

Hearing Site: Washington, DC

Nature of the Dispute: Customers vs. Member and Associated Person.

REPRESENTATION OF PARTIES

Claimants, Wai-Fung Chang and Wen-En Chang, hereinafter collectively referred to as "Claimants", were represented by W. Scott Greco, Esq. and Frederick D. Greco, Esq., Greco & Greco, P.C., McLean, Virginia.

Respondents, Citigroup Global Markets, Inc. ("Citigroup") and David E. Lin ("Lin"), were represented by Joseph A. Sack, Esq., Associate General Counsel, Citigroup.

CASE INFORMATION

Statement of Claim filed on or about July 16, 2003.

Claimants signed the Uniform Submission Agreement on or about July 16, 2003.

Joint Statement of Answer filed by Respondents on September 25, 2003.

Respondents did not file executed Uniform Submission Agreements.

CASE SUMMARY

Claimants asserted the following causes of action, among others: breach of fiduciary duty, violation of Section 10(b) of the Securities Exchange Act of 1934, suitability, negligence, breach of contract, and control person liability. The causes of action relate to the purchase of various unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: the Statement of Claim fails to state a cause of action upon which relief can be granted; contributory negligence or omissions; proximate cause; Claimants, by their conduct, approved and/or ratified Respondents' actions; Claimants are barred from recovery by the doctrines of waiver and estoppel; statutes of limitations; assumption of the risk; and Claimants have no standing to bring individual claims

regarding the joint account.

RELIEF REQUESTED

Claimants in their Statement of Claim requested:

Compensatory Damages	\$197,113.77
Punitive Damages	\$500,000.00
Interest	amount unspecified
Attorneys' Fees	\$ 65,704.59
Lost opportunity Damages	amount unspecified
Costs	amount unspecified

Respondents in their Statement of Answer requested that the Claim be denied and dismissed with prejudice and that the Arbitration Panel (the "Panel") assess all costs against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Citigroup and Linn did not file with NASD Dispute Resolution, properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and are bound by the determination of the Panel on all issues submitted.

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 evidence presented at the hearing, and the post-hearing submissions Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Citigroup and Lin are jointly and severally liable to and shall pay to Claimants compensatory damages in the amount of \$195,000.00, plus interest at 2% *per annum* on that amount. Interest shall be calculated on a simple basis and shall accrue from July 8, 2003 through the date the Award is paid in full;
2. Respondents are jointly and severally liable to and shall pay to Claimants attorneys' fees in the amount of \$65,000.00. Attorneys' fees are awarded pursuant to the Virginia Securities Act.
3. Respondents shall reimburse Claimants for the NASD claim filing fee in the amount of \$375.00;
4. All claims for punitive damages are denied in their entirety;

5. The parties shall bear their respective costs except as Fees are specifically addressed below; and
6. Any and all relief not specifically addressed herein is denied in its entirety.

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 = \$ 375.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly Citigroup is a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00
Total Member Fees	= \$7,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: October 27, 2004 1 session	
One (1) Pre-hearing session with Panel @ \$1,200.00	= \$1,200.00
Pre-hearing conference: February 27, 2004 1 session	
Six (6) Hearing sessions @ \$ 1,200.00	= \$7,200.00
Hearing Dates: December 7, 2004 2 sessions	
December 8, 2004 2 sessions	
December 9, 2004 2 sessions	
Total Forum Fees	= \$8,850.00

1. The Panel has assessed \$8,850.00 of the forum fees jointly and severally to Respondents.

EEE SUMMARY

1. Claimant is assessed and shall pay the following fees:

Initial Filing Fee = \$ 375.00

Total Fees = \$ 375.00

Less payments = \$1,575.00

Refund Due Claimants = \$1,200.00

2. Respondent Citigroup is assessed and shall pay the following fees:

Member Fees = \$7,000.00

Total Fees = \$7,000.00

Less payments = \$7,000.00

Balance Due NASD Dispute Resolution = \$ 00.00

4. Respondents are jointly and severally assessed and shall pay the following fees:

Forum Fees = \$8,850.00

Total Fees = \$8,850.00

Less payments = \$ 00.00

Balance Due NASD Dispute Resolution = \$8,850.00

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

ARBITRATION PANEL

Lester Louis Adams, Esq.	-	Public Arbitrator, Presiding Chairperson
Jane C. Carney, CPA	-	Public Arbitrator, Panelist
Carl W. Noller, III	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Lester Louis Adams, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Jane C. Carney, CPA
Public Arbitrator, Panelist

Signature Date

Carl W. Noller, III
Non-Public Arbitrator, Panelist

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

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Concurring Arbitrators' Signatures



Lester Louis Adams, Esq.
Public Arbitrator, Presiding Chairperson

12/23/2004
Signature Date

Jane C. Carney, CPA
Public Arbitrator, Panelist

Signature Date

Carl W. Noller, III
Non-Public Arbitrator, Panelist

Signature Date

12/27/04

Date of Service (For NASD Dispute Resolution office use only)

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Concurring Arbitrators' Signatures

Lester Louis Adams, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Jane C. Carney
Jane C. Carney, CPA
Public Arbitrator, Panelist

12/24/2004
Signature Date

Carl W. Noller, III
Non-Public Arbitrator, Panelist

Signature Date

12/27/04
Date of Service (For NASD Dispute Resolution office use only)

