

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimants

Case Number: 09-01338

Ronald S. Beard and Karin G. Paridee-Beard,
individually and as trustees of the
Beard Living Trust dtd 3/30/1999

Name of the Respondent

Hearing Site: Los Angeles, California

Citigroup Global Markets Inc.

Nature of the Dispute: Customers vs. Member

REPRESENTATION OF PARTIES

Claimants, Ronald S. Beard and Karin G. Paridee-Beard, individually and as trustees of the Beard Living Trust dtd 3/30/1999, hereinafter collectively referred to as "Claimants": Philip M. Aidikoff, Esq., and Ryan K. Bakhtiari, Esq., Aidikoff, Uhl & Bakhtiari, Beverly Hills, California; and Steven B. Caruso, Esq., Maddox Hargett & Caruso, P.C., New York, New York.

Respondent, Citigroup Global Markets Inc., hereinafter referred to as "Respondent": Elizabeth H. Lindh, Esq., Keesal, Young & Logan, Long Beach, California.

CASE INFORMATION

Statement of Claim filed: March 10, 2009

Claimants signed the Submission Agreement: March 02, 2009

Statement of Answer filed by Respondent, on or about: May 26, 2009

Respondent signed the Submission Agreement: May 03, 2009

CASE SUMMARY

Claimants asserted the following causes of action: (1) Breach of Fiduciary Duty; (2) Breach of Written Contract; (3) Constructive Fraud; (4) Violation of FINRA, NASD and NYSE Rules; (5) Unsuitable Investments; (6) Failure to Supervise and Secondary

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Liability; and (7) Respondeat Superior. The causes of action relate to the purchase of a California tax free municipal bond fund – Mat Five LLC ASTA Five 2007 1-CA ("ASTA").

Unless specifically admitted its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested:

1. General and compensatory damages in an amount according to proof but not less than \$400,000.00 minus residual value and/or amounts withdrawn;
2. Lost opportunity costs in an amount according to proof;
3. Fees, commissions and other remuneration paid to Respondent by Claimants;
4. Cost of proceedings;
5. Punitive damages in an amount according to proof;
6. Interest at the legal rate on all sums recovered;
7. Attorneys' fees and costs;
8. Rescission; and
9. Such other and further relief as this Panel deems just and appropriate.

In the Statement of Answer, Respondent requested the Statement of Claim be dismissed with prejudice, and costs associated with the Arbitration be assessed against the Claimants.

At the close of the hearing, Claimants requested damages ranging from \$304,639.00 to \$345,369.00. Claimants also requested all forum fees be paid by Respondent and reimbursement for expert witness fees in the amount of \$18,500.00, as well as costs for the court reporter at her normal billing rate.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

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

1. Respondent is liable to and shall pay Claimants the sum of \$304,639.00 in compensatory damages.

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2. Respondent is liable to and shall pay Claimants expert witness fees in the amount of \$18,500.00.
3. Respondent is liable for and shall pay to R. Leonard CSR, Inc. the sum of \$13,129.52 for court reporter costs.
4. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution assessed a filing fee* for each claim:

Initial claim filing fee = \$ 1,425.00

**The filing fee is made up of a non-refundable and a refundable portion.*

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. Accordingly, as a party, Citigroup Global Markets Inc. is assessed the following:

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

Contested Motion for Issuance of a Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) Decision on a contested motion for the issuance of a subpoena with one arbitrator @ \$200.00	= \$ 200.00
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Total Contested Motion for Issuance of Subpoenas Fees	= \$ 200.00
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1. The Panel has assessed \$200.00 of the contested motion for issuance of subpoenas fees to Respondent.

Hearing Session Fees and Assessments

The Panel has assessed hearing session 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 Panel @ \$1,125.00/session	= \$ 1,125.00
Pre-hearing conference: August 18, 2009 1 session	

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Ten (10) Hearing sessions @ \$1,125.00/session		=\$11,250.00
Hearing Dates:	September 28, 2010	2 sessions
	September 29, 2010	2 sessions
	November 8, 2010	2 sessions
	November 9, 2010	2 sessions
	November 10, 2010	2 sessions
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Total Hearing Session Fees		=\$12,375.00

1. The Panel has assessed \$12,375.00 of the hearing session fees to Respondent.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.

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ARBITRATION PANEL

David W. Dresnick	-	Public Arbitrator, Presiding Chairperson
Richard J. Stall, Jr.	-	Public Arbitrator
Cheryl Marie Allain-Mee	-	Non-Public Arbitrator

Concurring Arbitrators' Signature(s)



David W. Dresnick
Public Arbitrator, Presiding Chairperson

12/10/2010
Signature Date

Richard J. Stall, Jr.
Public Arbitrator

Signature Date

Cheryl Marie Allain-Mee
Non-Public Arbitrator

Signature Date

December 13, 2010

Date of Service (For FINRA Dispute Resolution use only)

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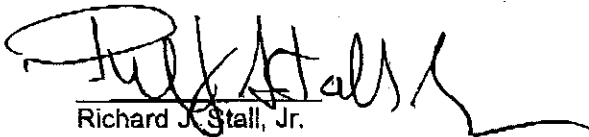
ARBITRATION PANEL

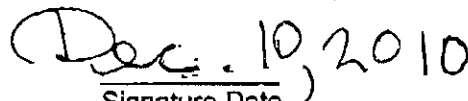
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