

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Feridown Company, S.A., Compania Nediwel S. A., Cefinor, S.A., and KAP Trading Limited a/k/a KAP Trading Corp, (Claimants) vs. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc., (Respondent)

Case Number: 00-04700

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants, Feridown Company, S.A. ("Feridown"), Compania Nediwel, S.A. ("Nediwel"), Cefinor, S.A. ("Cefinor") and KAP Trading Limited a/k/a KAP Trading Corp. ("KAP"), hereinafter collectively referred to as "Claimants": David S. Abramson, Esq., New York, NY.

Respondent, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc. ("SSB"), hereinafter referred to as "Respondent": Mark P. Schnapp, Esq., Greenberg Traurig, P.A., Miami, FL.

CASE INFORMATION

Statement of Claim filed on or about: October 24, 2000.

Claimants signed the Uniform Submission Agreement: October 10, 2000.

Statement of Answer filed by Respondent on or about: January 17, 2001.

Respondent signed the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract, fraudulent activity, unauthorized withdrawals of investment accounts.

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

RELIEF REQUESTED

Claimants requested:

1. Compensatory damages in the sum of \$284,060.00 plus lost appreciation in an amount to be determined for Claimant Feridown;
2. Compensatory damages in the sum of \$91,803.27 plus lost appreciation in an amount to be determined for Claimant Nediwel;
3. Compensatory damages in the sum of \$505,500.00 plus lost appreciation in an amount to be determined for Claimant Cefinor;
4. Compensatory damages in the sum of \$357,000.00 plus lost appreciation in an amount to be determined for Claimant KAP;
5. That the amount awarded each Claimant should be trebled as punitive damages; and,
6. The Claimants requested costs, disbursements of this arbitration proceeding, and reasonable attorneys' fees.

OTHER ISSUES CONSIDERED AND 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 evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable for and shall pay to Claimant Cefinor the sum of \$7,144.93 as compensatory damages, plus interest at the rate of 5% per annum accruing from May 24, 1999 until payment of this award.
2. Respondent is liable for and shall pay to Claimant Nediwel the sum of \$115,038.83 as compensatory damages, plus interest at the rate of 5% per annum accruing from May 26, 1999 until payment of this award.
3. Respondent be and hereby is ordered to allow Claimants to withdraw any of their funds being held in the Feridown account or in any other account belonging to the Claimants held by Salomon Smith Barney.
4. Respondent is liable for and shall pay to Claimant on the Feridown account and any other account belonging to the Claimants and maintained by Salomon Smith Barney interest at the rate of 5% per annum less any interest already credited by Salomon Smith

Barney from October 31, 1999 until payment of this award.

5. 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

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$600.00
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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. Accordingly, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc. is a party.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$4,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

April 30 and May 1, 2002 adjournment by SSB	= \$ WAIVED
January 7, 2003 adjournment by SSB	= \$ WAIVED

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. 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 @ \$450.00	= \$ 450.00
Pre-hearing conference: August 2, 2002	1 session

Two (2) Pre-hearing sessions with Panel @ \$1200.00	= \$ 2,400.00
Pre-hearing conferences: July 9, 2001	1 session
December 21, 2001	1 session

Forty- Six (46) Hearing sessions @ \$1,200.00 = \$55,200.00

Hearing Dates:	April 2, 2002	2 sessions
	April 3, 2002	2 sessions
	April 5, 2002	2 sessions
	April 8, 2002	2 sessions
	August 6, 2002	2 sessions
	August 7, 2002	2 sessions
	August 8, 2002	2 sessions
	August 13, 2002	2 sessions
	August 15, 2002	2 sessions
	September 4, 2002	2 sessions
	September 5, 2002	2 sessions
	December 16, 2002	2 sessions
	December 17, 2002	2 sessions
	January 8, 2003	2 sessions
	January 13, 2003	2 sessions
	January 14, 2003	2 sessions
	March 18, 2003	2 sessions
	March 19, 2003	2 sessions
	April 1, 2003	2 sessions
	April 2, 2003	2 sessions
	April 8, 2003	2 sessions
	April 9, 2003	2 sessions
	April 29, 2003	2 sessions
Total Forum Fees		= \$58,050.00

1. The Panel has assessed \$29,025.00 of the forum fees against Respondent.
2. The Panel has assessed \$29,025.00 of the forum fees jointly and severally against the Claimants.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. In this instance, administrative costs were charged for making copies of audio transcripts.

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|--|------------|
| 1. Citigroup Global Markets 38 tapes x \$15.00 | = \$570.00 |
| 2. Feridown Company, S.A. 29 tapes x \$15.00 | = \$435.00 |

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$29,025.00
<u>Administrative Costs</u>	= \$ 435.00
Total Fees	= \$30,060.00
<u>Less payments</u>	= \$ 2,130.00
Balance Due NASD Dispute Resolution	= \$27,930.00

2. Respondent is solely liable for:

Member Fees	= \$ 7,600.00
Forum Fees	= \$29,025.00
<u>Administrative Costs</u>	= \$ 570.00
Total Fees	= \$37,195.00
<u>Less payments</u>	= \$ 7,600.00
Balance Due NASD Dispute Resolution	= \$29,595.00

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

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NASD REGULATION

007/000

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ARBITRATION PANEL

Ellen R. Buxbaum, Esq.	-	Public Arbitrator, Presiding Chair
Kenneth B. Cutler, Esq.	-	Public Arbitrator
Scott L. Fagin	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument in which is my award.



Ellen R. Buxbaum, Esq.
Public Arbitrator, Presiding Chairperson

7/11/03

Signature Date

Kenneth B. Cutler, Esq.
Public Arbitrator

Signature Date

Scott L. Fagin
Non-Public Arbitrator

Signature Date

July 11, 2003

Date of Service (For NASD Dispute Resolution use only)

NASD Dispute Resolution
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Ellen R. Buxbaum, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Kenneth B. Cutler
Kenneth B. Cutler, Esq.
Public Arbitrator

7/9/03
Signature Date

Scott L. Fagin
Non-Public Arbitrator

Signature Date

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ARBITRATION PANEL

Ellen R. Buxbaum, Esq.
Kenneth B. Cutler, Esq.
Scott L. Fagin

- Public Arbitrator, Presiding Chair
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures

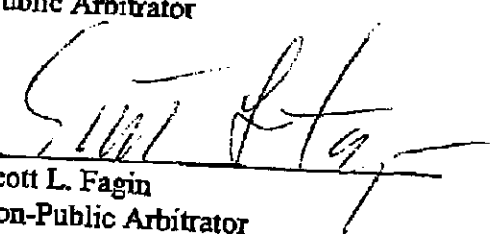
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Ellen R. Buxbaum, Esq.
Public Arbitrator, Presiding Chairperson

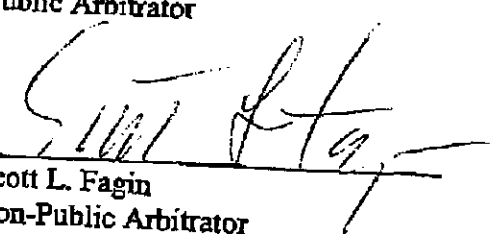
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Kenneth B. Cutler, Esq.
Public Arbitrator

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Scott L. Fagin
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Signature Date

July 11, 2003
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