

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between

Michael Blau (Claimant) v. Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc.,
and Alfred Friedman (Respondents)

Case Number: 02-05138

Hearing Site: New York, New York

Nature of the Dispute: Customer v. Member and Associated Person.

REPRESENTATION OF PARTIES

Claimant Michael Blau ("Blau") hereinafter referred to as "Claimant": Jeffrey Neiman, Esq.,
Neiman Law Firm, and Mel Urbach, Esq., New York, New York.

Respondents Salomon Smith Barney, Inc., n/k/a Citigroup Global Markets, Inc., ("SSB") and
Alfred Friedman ("Friedman") hereinafter collectively referred to as "Respondents": Ellen Slipp,
Esq., Citigroup Global Markets, Inc.; and Hugo A. Hilgendorff IV, Esq., Bressler Amery &
Ross, P.C., New York, New York.

CASE INFORMATION

Statement of Claim filed on: August 29, 2002.

Claimant signed the Uniform Submission Agreement: July 15, 2002.

Joint Statement of Answer filed by Respondents on: November 4, 2002.

SSB did not sign a Uniform Submission Agreement.

Friedman did not sign a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; breach of duty of
loyalty; negligence; margin calls; failure to supervise; and unsuitability. Claimant's claim
involved gold stocks.

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing
set forth in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested that he be awarded damages in the amount of \$2,200,498.00, together with interest and the costs and disbursements of the proceeding.

Respondents requested that the Statement of Claim be dismissed against all parties with prejudice, and that the Arbitrators enter an order expunging or striking this claim from Alfred Friedman's permanent registration records maintained by the CRD.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements, but are required to submit to arbitration pursuant to the Code and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

On November 4, 2003, Claimant dismissed the Statement of Claim with prejudice against Respondent Alfred Friedman.

Claimant and Respondent Salomon Smith Barney, Inc. have entered into a confidential settlement agreement.

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

- 1) All claims against Respondent Salomon Smith Barney, Inc., n/k/a Citigroup Global Markets, Inc., are dismissed with prejudice.
- 2) Each party shall bear its own costs and expenses.
- 3) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Alfred Friedman's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Alfred Friedman must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 4) All other requests for relief are 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 = \$500.00

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, Salomon Smith Barney, Inc. is a party.

Member Surcharge	= \$2,800.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$5,000.00
Total Member Fees	= \$8,550.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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. Forum fees associated with these proceedings are:

One (1) Pre-hearing conference with the Panel @ \$1,200.00/session	= \$1,200.00
<u>Pre-hearing conference: March 17, 2003</u> <u>1 session</u>	
Total Forum Fees	= \$1,200.00

1. The Panel has assessed \$600.00 of the forum fees against Claimant.
2. The Panel has assessed \$600.00 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	<u>= \$ 600.00</u>
Total Fees	= \$1,100.00
<u>Less payments</u>	<u>= \$1,700.00</u>
Refund Due to Claimant	= \$ 600.00

2. SSB is solely liable for:

<u>Member Fees</u>	<u>= \$8,550.00</u>
Total Fees	= \$8,550.00
<u>Less payments</u>	<u>= \$8,550.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 600.00
<u>Total Fees</u>	= \$ 600.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 600.00

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

Parties' Signatures

Michael Blau

MARCH-18-2004

Michael Blau Signature Date

Claimant

Salomon Smith Barney, Inc. n/k/a

Signature Date

Citigroup Global Markets, Inc.

Respondent

Alfred Friedman


Signature Date

Respondent

Parties' Signatures


Michael Blau
Claimant

Signature Date



BRESSLER, AMERY & ROSS, P.C.,
as attorneys for Salomon Smith
Barney, Inc. n/k/a Citigroup
Global Markets, Inc., Respondent

May 4, 2004
Signature Date



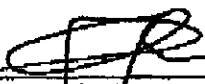
BRESSLER, AMERY & ROSS, P.C.,
as attorneys for Alfred Friedman,
Respondent

May 4, 2004
Signature Date

ARBITRATION PANEL

Alan J. Blocher	-	Public Arbitrator, Presiding Chair
Howard D. Jacob, Esq.	-	Public Arbitrator
Richard M. Lembach	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Alan J. Blocher
Public Arbitrator, Presiding Chair

5/17/04
Signature Date

Howard D. Jacob, Esq.
Public Arbitrator

Signature Date

Richard M. Lembach
Non-Public Arbitrator

Signature Date

May 17, 2004

Date of Service (for NASD office use only)


ARBITRATION PANEL

Alan J. Blocher	-	Public Arbitrator, Presiding Chair
Howard D. Jacob, Esq.	-	Public Arbitrator
Richard M. Lembach	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Alan J. Blocher
Public Arbitrator, Presiding Chair

Signature Date



Howard D. Jacob, Esq.
Public Arbitrator

5/13/04

Signature Date

Richard M. Lembach
Non-Public Arbitrator

Signature Date

May 17, 2004

Date of Service (for NASD office use only)

ARBITRATION PANEL

Alan J. Blocher
Howard D. Jacob, Esq.
Richard M. Lembach

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


Concurring Arbitrators' Signatures

Alan J. Blocher
Public Arbitrator, Presiding Chair

Signature Date

Howard D. Jacob, Esq.
Public Arbitrator

Signature Date



Richard M. Lembach
Non-Public Arbitrator

May 11, 2004
Signature Date

May 17, 2004

Date of Service (for NASD office use only)