

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Dan Farash (Claimant) v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.,
Richard Drayton, and Jack Grubman (Respondents)

Case Number: 02-06757

Hearing Site: New York, New York

Nature of the Dispute: Customer vs. Member and Associated Persons.

REPRESENTATION OF PARTIES

Claimant Dan Farash ("Farash") hereinafter referred to as "Claimant": John T. McGuire, Esq.,
John T. McGuire and Associates, P.C., New York, NY.

Respondents Citigroup Global Markets, Inc. ("Citigroup") and Jack Grubman ("Grubman"):
Jeffrey D. Grossman, Esq., Stradley Ronon Stevens & Young, LLP, Philadelphia, PA.
Previously represented by: Sean J. Coughlin, Esq., Citigroup Global Markets, Inc., New York,
NY.

Respondent Richard Drayton ("Drayton"): Joshua Horn, Esq., Fox Rothschild, LLP,
Philadelphia, PA. Previously represented by: Sean J. Coughlin, Esq., Citigroup Global Markets,
Inc., New York, NY.

Citigroup, Grubman, and Drayton are hereinafter collectively referred to as "Respondents".

CASE INFORMATION

Statement of Claim filed on or about: September 30, 2002.

Claimant signed the Uniform Submission Agreement: September 4, 2002.

Joint Statement of Answer filed by Respondents on or about: April 3, 2003.

Respondent Citigroup signed the Uniform Submission Agreement: May 20, 2003.

Respondent Drayton signed the Uniform Submission Agreement: April 3, 2003.

Respondent Grubman did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: fraud; securities fraud; breach of fiduciary
duty; negligence; breach of contract; and failure to supervise. The causes of action relate to

shares of ABMD, Best Foods, Colgate Palmolive, Dover Corp. Emerson Electric, Guidant Corp., Illinois Tool Works, Lear Corp., Progressive Corp., Sara Lee Corp., At Home Networks, Emerge Interactive, Entrade, Globalstar, Internet Capital Group, JDS Uniphase, MCI WorldCom, and Qualcomm.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$417,000.00; interest from the date the losses were incurred to the date of the Arbitration hearing; punitive damages; attorneys' fees; costs; and any other damages the Panel may deem just and fair.

Respondents requested that the claim be denied, and dismissed with prejudice, with the costs associated with the arbitration proceeding assessed against the Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Per an oral stipulation, Respondent Grubman was dismissed from this matter.

Respondent Grubman did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim, is 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, and 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. Respondents Citigroup and Drayton are jointly and severally liable for and shall pay to Claimant compensatory damages in the amount of \$270,790.00, plus interest at the rate of 9% per annum from the date of award through the date of payment of the award.
2. Respondents Citigroup and Drayton are jointly and severally liable for and shall pay to Claimant the sum of \$300.00, to reimburse Claimant for the filing fee previously paid to NASD Dispute Resolution.
3. 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 = \$300.00

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

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

January 13-15, 2004, joint adjournment request = 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:

Two (2) Pre-hearing sessions with Panel @ \$1,125.00 = \$2,250.00

Pre-hearing conferences: July 17, 2003 1 session
November 10, 2004 1 session

Six (6) Hearing sessions @ \$1,125.00 = \$6,750.00

Hearing Dates: October 12, 2004 2 sessions
October 13, 2004 2 sessions
October 14, 2004 2 sessions

Total Forum Fees = \$9,000.00

1. The Panel has assessed \$9,000.00 of the forum fees against Respondent Citigroup.

Fee Summary

1. Claimant is solely liable for:

<u>Initial Filing Fee</u>	= \$ 300.00
<u>Total Fees</u>	= \$ 300.00
<u>Less payments</u>	= \$ 1,550.00

Refund Due Claimant

= \$ 1,250.00

As stated in the "Award" section above, Respondents Citigroup and Drayton are jointly and severally liable for and shall reimburse Claimant for the non-refundable filing fee.

2. Respondent is solely liable for:

Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	<u>= \$ 9,000.00</u>
Total Fees	= \$14,200.00
<u>Less payments</u>	<u>= \$ 5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 9,000.00

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

ARBITRATION PANEL

John Fleming Kelly, Esq.	-	Public Arbitrator, Presiding Chairperson
William G. Binckes, Esq.	-	Public Arbitrator
Stuart Rothenstein	-	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 which is my award.


John Fleming Kelly, Esq.
Public Arbitrator, Presiding Chairperson


Signature Date

William G. Binckes, Esq.
Public Arbitrator

Signature Date

Stuart Rothenstein
Non-Public Arbitrator

Signature Date

November 18, 2004
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

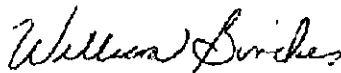
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Signature Date



William G. Binckes, Esq.
Public Arbitrator



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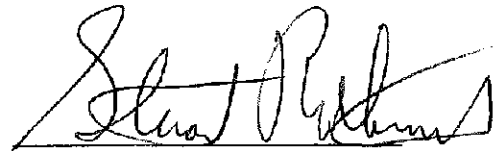
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John Fleming Kelly, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

William G. Binckes, Esq.
Public Arbitrator

Signature Date



Stuart Rothenstein
Non-Public Arbitrator

11-16-2004

Signature Date

November 18, 2004

Date of Service (For NASD Dispute Resolution use only)