

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Benjamin G. Aibel (Claimant) v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. (Respondent)

Case Number: 04-01436

Hearing Site: New York, New York

Nature of the Dispute: Associated Person vs. Member.

REPRESENTATION OF PARTIES

Claimant Benjamin G. Aibel hereinafter referred to as "Claimant": Kenneth E. Warner, Esq., Warner Partners, P.C., formerly Coblenz & Warner, New York, NY.

Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. hereinafter referred to as "Respondent": Aimee B. Florin, Esq., Orrick, Herrington & Sutcliffe, LLP, New York, NY. Previously represented by: Lisa K. Borgeson, Esq., Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: March 2, 2004.

Amended Statement of Claim filed on or about: July 2, 2004.

Claimant signed the Uniform Submission Agreement: February 26, 2004.

Statement of Answer, Motion to Dismiss, and Counterclaim filed by Respondent on or about: May 10, 2004.

Respondent did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: slander on his Form U-5 and wrongful denial of commissions/bonus.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In its Counterclaim, Respondent asserted the following causes of action: breach of promissory note and failure to repay back-end bonus.

RELIEF REQUESTED

Claimant requested:

- That the U-4 filings made by Respondent regarding Williams bonds be removed or otherwise deleted and expunged from Claimants CRD report, that the U-5 designation be changed from "permitted to resign" to a blame-neutral designation and that Respondent be directed to take all necessary steps to accomplish the foregoing;
- That Respondent be held liable for damages resulting from the wrongful termination of Claimant, its breach of contract and/or its improper CRD filings, including without limitation damages from the resultant loss of compensation and other benefits, employment opportunities and customers, as well as from the injury to Claimant's reputation and to his livelihood otherwise, and that the amount of such damages be determined by the arbitration panel, in no event less than \$3,000,000.00, together with pre-judgment interest from applicable dates;
- Declaring that the promissory note is void, invalid, and unenforceable;
- That punitive damages be awarded in favor of Claimant and against Respondent in an amount not less than \$2,000,000.00, together with interest;
- Forum, attorneys', expert, witness, and production fees, together with any other case-related costs;
- And such other and further relief as the Panel deem just and proper.

Respondent requested that the Panel dismiss Claimant's Statement of Claim and on its Counterclaim requested compensatory damages in the amount of \$374,541.60; interest; costs incurred, including attorneys' fees; pre-judgment and post-judgment interest; and such other relief as the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent 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, and appeared and testified at the hearing, 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. The Panel recommends that on the Form U5 filed with NASD Central Registration Depository ("CRD") on February 19, 2003, by Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., the explanatory text for the reason for termination in Question #5 "permitted to retire" be expunged and replaced with "retired". The Panel is ordering expungement relief based on the defamatory nature of the information on Benjamin Aibel's registration records maintained by CRD.

2. The Panel denied Claimant's claim that Respondent be held liable for damages resulting from wrongful termination, breach of contract and/or its improper CRD filings.
3. The Panel declared that the Promissory Note is void, invalid and unenforceable.
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

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

Initial claim filing fee	= \$ 600.00
Counterclaim filing fee	= \$1,000.00

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	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the 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: April 21, 2005 1 session	

One (1) Pre-hearing session with Panel @ \$1,200.00	= \$ 1,200.00
Pre-hearing conference: October 5, 2004 1 session	

Seven (7) Hearing sessions @ \$1,200.00	= \$ 8,400.00
Hearing Dates: May 17, 2005 2 sessions	
May 18, 2005 1 session	
May 19, 2005 2 sessions	
May 20, 2005 2 sessions	

Total Forum Fees	= \$10,050.00
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1. The Panel has assessed forum fees totaling \$10,050.00 against Respondent Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc.

Fee Summary

1. Claimant is solely liable for:

<u>Initial Filing Fee</u>	= \$ 600.00
<u>Total Fees</u>	= \$ 600.00
<u>Less payments</u>	= \$ 1,800.00
<u>Refund Due to Claimant</u>	= \$ 1,200.00

2. Respondent is solely liable for:

<u>Counterclaim Filing Fee</u>	= \$ 1,000.00
<u>Member Fees</u>	= \$ 8,550.00
<u>Forum Fees</u>	= \$10,050.00
<u>Total Fees</u>	= \$19,600.00
<u>Less payments</u>	= \$11,725.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 7,875.00

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

ARBITRATION PANEL

Craig Scott Bartlett, Jr.	-	Public Arbitrator, Presiding Chairperson
Michael E. Curan, Esq.	-	Public Arbitrator
Judah Munk	-	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.

C. Scott Bartlett
Craig Scott Bartlett, Jr.
Public Arbitrator, Presiding Chairperson

Signature Date

Michael E. Curan, Esq.
Public Arbitrator

Signature Date

Judah Munk
Non-Public Arbitrator

Signature Date

June 22, 2005
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL


Craig Scott Bartlett, Jr.	-	Public Arbitrator, Presiding Chairperson
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Public Arbitrator, Presiding Chairperson

Signature Date


Michael E. Curan, Esq.
Public Arbitrator

Signature Date

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Non-Public Arbitrator

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Public Arbitrator, Presiding Chairperson

Signature Date

Michael E. Curan, Esq.
Public Arbitrator

Signature Date



Judah Munk
Non-Public Arbitrator

6/16/05

Signature Date

June 22, 2005

Date of Service (For NASD Dispute Resolution use only)