

**Award
NASD Dispute Resolution**

In the Consolidated Matter of the Arbitration Between:

Joseph R. Biondo vs. Citigroup, Inc. and Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.

Case Number: 04-08255

Hearing Site: Philadelphia, PA

and

Smith Barney, a Division of Citigroup Global Markets, Inc. vs. Joseph R. Biondo, Biondo Asset Management, L.L.C., Gregory Lutfy and Eugenia Pavak.

Case Number: 04-08747

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

REPRESENTATION OF PARTIES

Case Number 04-08255

Claimant, Joseph R. Biondo ("R. Biondo"), was represented by Edward H. Pomeranz, Esq., Graubard Miller, New York, New York.

Respondents, Citigroup, Inc. and Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup"), were represented by William E. Mahoney, Jr., Esq., Stradley, Ronon, Stevens & Young, LLP, Philadelphia, Pennsylvania.

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Claimant, Smith Barney, a Division of Citigroup Global Markets, Inc. ("Citigroup"), was represented by William E. Mahoney, Jr., Esq., Stradley, Ronon, Stevens & Young, LLP, Philadelphia, Pennsylvania.

Respondents, Joseph R. Biondo ("R. Biondo"), Biondo Asset Management, L.L.C., ("B.A.M."), Joseph Peter Biondo ("P. Biondo") Gregory Lutfy ("Lutfy"), and Eugenia Pavak ("Pavak"), hereinafter collectively referred to as "Respondents", were represented by Edward H. Pomeranz, Esq., Graubard Miller, New York, New York.

CASE INFORMATION

Case Number 04-08255

Statement of Claim filed December 3, 2004.

Claimant R. Biondo submitted an undated Uniform Submission Agreement.

Statement of Answer filed by Respondents on December 23, 2004.
A representative of Respondent Citigroup executed the Uniform Submission Agreement on April 11, 2005.

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Statement of Claim filed on December 28, 2004.
A representative of Claimant Citigroup executed the Uniform Submission Agreement on December 24, 2005.

Statement of Answer filed by Respondents on March 14, 2005.
Respondent Biondo signed the Uniform Submission Agreement individually and on behalf of B.A.M. on February 14, 2005.
Respondent P. Biondo signed the Uniform Submission Agreement individually and on behalf of B.A.M. on February 17, 2005.
Respondent Lufty signed the Uniform Submission Agreement individually and on behalf of B.A.M. on February 14, 2005.
Respondent Pavak signed the Uniform Submission Agreement individually and on behalf of B.A.M. on February 14, 2005.

CASE SUMMARY

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Claimant asserted the following cause of action: breach of an employment contract, conversion, and unjust enrichment.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following affirmative defenses, among others: Claimant failed to state a claim upon which relief may be granted; statute of limitations; and Claimant's claims are barred by the doctrine of unclean hands.

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Claimant asserted the following cause of action, among others: breach of contract, unfair competition, tortious interference with contractual relations, conversion, and civil conspiracy.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

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Claimant in his Statement of Claim requested:

Compensatory Damages	\$ 300,000.00
Attorneys' Fees	amount unspecified

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Claimant in its Statement of Claim requested:

Compensatory Damages	\$5,000,000.00
Punitive Damages	amount unspecified

Attorneys' Fees
Interest
Costs

amount unspecified
amount unspecified
amount unspecified

Respondents, in their Statement of Answer, requested that the Statement of Claim be dismissed and that the Arbitration Panel (the "Panel") award Respondents their costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

On August 1, 2005 the Panel in Case Number 04-08255 granted the parties' joint request that Case Number 04-08255 Joseph R. Biondo vs. Citigroup, Inc. and Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. should be consolidated for hearing and award purposes with Case Number 04-08747 Smith Barney, a Division of Citigroup Global Markets, Inc. vs. Joseph R. Biondo, Biondo Asset Management, L.L.C., Gregory Lutfy and Eugenia Pavcek.

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:

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1. Respondent Citigroup is liable to and shall pay to Claimant compensatory damages in the amount of \$229,382.64 plus simple interest at the rate of 5% on that amount. Interest shall accrue from December 31, 2003 until the date the award is paid in full;
2. All claims for attorneys' fees are denied in their entirety;
3. The parties shall bear their respective costs, except as Fees are specifically addressed below; and
4. Any and all relief not specifically addressed herein is denied in its entirety.

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1. Respondent Biondo is liable to and shall pay to Claimant Citigroup compensatory damages in the amount of \$500,000.00;
2. All claims for attorneys' fees and punitive damages are denied in their entirety;
3. The parties shall bear their respective costs, except as Fees are specifically addressed below; and

4. Any and all relief not specifically addressed herein is denied in its entirety.

FEES

Pursuant to the Code, the following fees are assessed:

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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Citigroup 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:

December 13-15, 2005 adjournment requested by Respondent = \$ 1,200.00

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. Biondo requested tape duplication = \$ 345.00

2. Citigroup requested tape duplication = \$ 195.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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 a single arbitrator @ \$450.00 = \$ 450.00

Pre-hearing conference: November 1, 2005 1 session

One (1) Pre-hearing session with Panel @ \$1,125.00 = \$ 1,125.00

Pre-hearing conference: May 25, 2005 1 session

Twenty-three (23) Hearing sessions @ \$1,200.00 = \$27,600.00

Hearing Dates:	February 6, 2006	2 sessions
	February 8, 2006	2 sessions
	February 9, 2006	2 sessions
	February 9, 2006	2 sessions
	April 3, 2006	1 session
	April 4, 2006	2 sessions
	April 5, 2006	2 sessions
	April 6, 2006	2 sessions
	May 16, 2006	2 sessions
	May 17, 2006	2 sessions
	May 18, 2006	2 sessions
	June 14, 2006	2 sessions
<hr/> Total Forum Fees		= \$29,175.00

The Panel has assessed \$29,175.00 of the forum fees to Citigroup.

Case Number 04-08747

Filing Fees

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

Initial claim filing fee = \$ 2,000.00

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, Citigroup and B.A.M. are parties.

Citigroup Member Fees:

Member surcharge = \$ 2,800.00

Pre-hearing process fee = \$ 750.00

B.A.M. Member Fees:

Member surcharge = \$ 2,800.00

Pre-hearing process fee = \$ 750.00

Forum Fees and Assessments

One (1) Pre-hearing session with Panel @ \$1,200.00 = \$ 1,200.00

Pre-hearing conference: June 17, 2005, 2005 1 session

Total Forum Fees = \$ 1,200.00

The Panel has assessed \$1,200.00 of the forum fees to Citigroup

Fee Summary

Case Number: 04-08255

1. Claimant Biondo is solely liable for:

Initial Filing Fee = \$ 300.00

<u>Administrative Costs</u>	= \$ 345.00
<u>Total Fees</u>	= \$ 645.00
<u>Less payments</u>	= \$ 1,770.00
<u>Refund Due Claimant</u>	= \$ 1,125.00

2. Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Adjournment Fee</u>	= \$ 1,200.00
<u>Forum Fees</u>	= \$29,175.00
<u>Administrative Costs</u>	= \$ 195.00
<u>Total Fees</u>	= \$35,770.00
<u>Less payments</u>	= \$ 7,890.00
<u>Balance Due NASD Dispute Resolution</u>	= \$27,880.00

Case Number: 04-08747

1. Claimant Citigroup is solely liable for:

<u>Initial Filing Fee</u>	= \$ 2,000.00
<u>Member Fees</u>	= \$ 3,550.00
<u>Forum Fees</u>	= \$ 1,200.00
<u>Total Fees</u>	= \$ 6,750.00
<u>Less payments</u>	= \$ 6,750.00
<u>Refund Due Claimant</u>	= \$ 00.00

2. Respondent B.A.M. is solely liable for:

<u>Member Fees</u>	= \$ 3,550.00
<u>Total Fees</u>	= \$ 3,550.00
<u>Less payments</u>	= \$ 3,550.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 00.00

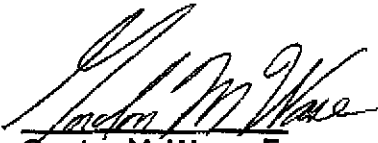
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Gordon M. Wase, Esq.	-	Public Arbitrator, Presiding Chairperson
Patrick J. O'Neil	-	Public Arbitrator
Richard Frank Colello	-	Non-Public Arbitrator

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Concurring Arbitrators' Signatures



Gordon M. Wase, Esq.
Public Arbitrator, Presiding Chairperson

7/12/06
Signature Date

Patrick J. O'Neil
Public Arbitrator

Signature Date

Richard Frank Colello
Non-Public Arbitrator

Signature Date

7/13/06

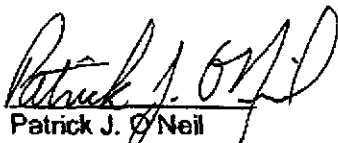
Date of Service (For NASD Dispute Resolution use only)

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Concurring Arbitrators' Signatures

Gordon M. Wase, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


Patrick J. O'Neil
Public Arbitrator

07/11/06
Signature Date

Richard Frank Colello
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)

,07/11/2006 16:19 FAX 202 728 8082

NASD DISPUTE RESOLUTION

009/009

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Concurring Arbitrators' Signatures

Gordon M. Wase, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Patrick J. O'Neil
Public Arbitrator

Signature Date



Richard Frank Colello
Non-Public Arbitrator

7/12/06

Signature Date

Date of Service (For NASD Dispute Resolution use only)