

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Henry Schiff and Joan Schiff (Claimants) vs. Citigroup Global Markets, Inc. and Bear, Stearns & Co., Inc. (Respondents)

Case Number: 05-00837

Hearing Site: New York, New York

Nature of the Dispute: Customer vs. Members

REPRESENTATION OF PARTIES

Claimants Henry Schiff ("H. Schiff") and Joan Schiff ("J. Schiff") hereinafter referred to as "Claimants": Robert Weiss, Esq. and Stephen David Murakami, Esq., Hooper & Weiss, LLC, Jericho, NY.

Respondent Citigroup Global Markets, Inc. ("Citigroup"): Joseph L. Calabrese, Esq., Citigroup Global Markets, Inc., New York, NY.

Respondent Bear, Stearns & Co., Inc. ("Bear Stearns"): Jeffrey A. Mitchell, Esq., Dreier LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: February 14, 2005.

Claimant H. Schiff signed the Uniform Submission Agreement: July 12, 2004.

Claimant J. Schiff signed the Uniform Submission Agreement: July 12, 2004.

Statement of Answer filed by Respondent Citigroup on or about: April 7, 2005.

Respondent Citigroup signed the Uniform Submission Agreement: April 7, 2005.

Motion to Dismiss and Statement of Answer filed by Respondent Bear Stearns on or about: April 7, 2005.

Respondent Bear Stearns signed the Uniform Submission Agreement: April 1, 2005.

CASE SUMMARY

Claimants asserted the following causes of action: violation of industry rules including Rules 401 and 405 of the NYSE and various NASD rules; breach of fiduciary duty; fraud, deceit and omission of material fact; violations of the anti-fraud provisions of the Securities Exchange Act of 1934; failure to supervise; respondeat superior; misrepresentations, violations of New York securities laws, violations of deceptive Trade Practices Act, unsuitable trading; conversion, negligence, and breach of contract.

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

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 compensatory damages in the amount of \$150,000.00, punitive damages, costs, attorneys' fees and interest.

Respondent Citigroup requested that this claim be dismissed with prejudice and that the costs of the arbitration be awarded to Respondent Citigroup.

Respondent Bear Stearns requested that the Panel dismiss the Claim against it with prejudice and direct Claimants to bear all costs incurred by Bear Stearns in defending this proceeding.

OTHER ISSUES CONSIDERED AND DECIDED

At the hearing in this matter, Respondent Bear Stearns made two Motions to Dismiss. After due deliberation, the Panel held the first motion in abeyance and granted the second motion.

At the hearing in this matter, Respondent Citigroup made a Motion to Dismiss. After due deliberation, the Panel denied the motion.

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. Claimants' claims are dismissed in their entirety.
2. 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 firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Citigroup Global Markets, Inc. and Bear Stearns & Co., Inc. are parties.

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

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 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 Panel @ \$1,125.00	= \$ 1,125.00
Pre-hearing conference: June 9, 2005 1 session	

Eight (8) Hearing sessions @ \$1,125.00	= \$ 9,000.00
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Hearing Dates:	March 21, 2006	2 sessions
	March 22, 2006	2 sessions
	March 23, 2006	2 sessions
	March 24, 2006	2 sessions

Total Forum Fees	= \$10,125.00
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1. The Panel has assessed \$3,375.00 of the forum fees to Claimants.
2. The Panel has assessed \$3,375.00 of the forum fees to Respondent Citigroup.
3. The Panel has assessed \$3,375.00 of the forum fees to Respondent Bear Stearns.

Fee Summary

1. Claimants are liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$ 3,375.00
Total Fees	= \$ 3,675.00
<u>Less payments</u>	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 2,250.00

2. Respondent Citigroup is solely liable for:

Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	= \$ 3,375.00
Total Fees	= \$ 8,575.00
<u>Less payments</u>	= \$ 5,950.00
Balance Due NASD Dispute Resolution	= \$ 2,625.00

3. Respondent Bear Stearns is solely liable for:

Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	= \$ 3,375.00
Total Fees	= \$ 8,575.00
<u>Less payments</u>	= \$ 5,200.00

Balance Due NASD Dispute Resolution

= \$ 3,375.00

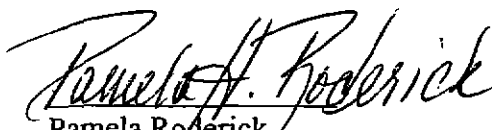
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Pamela Roderick	-	Public Arbitrator, Presiding Chairperson
Stanley H. Labinger	-	Public Arbitrator
Dean E. Kois	-	Non-Public Arbitrator

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 which is my award.

Concurring Arbitrators' Signatures


Pamela Roderick
Public Arbitrator, Presiding Chairperson

March 28, 2006
Signature Date

Stanley H. Labinger
Public Arbitrator

Signature Date

Dean E. Kois
Non-Public Arbitrator

Signature Date

March 31, 2006
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

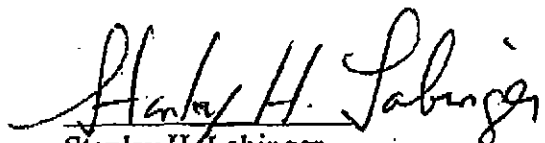
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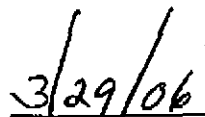
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Signature Date

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3/28/06
Signature Date

March 31, 2006

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