

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:
Richard M. Mitchell, Claimant vs. Salomon Smith Barney, Inc. and Citigroup, Inc., Respondents.

Case Number: 99-04198

Hearing Site: Louisville, Kentucky

REPRESENTATION OF PARTIES

Claimant, Richard M. Mitchell ("Mitchell"), was represented by Joseph J. Dehner, Esquire, of Frost & Jacobs, LLP, Cincinnati, Ohio.

Respondents, Salomon Smith Barney, Inc. ("Smith Barney"), and Citigroup, Inc. ("Citigroup"), were represented by G. Wayne Hillis, Jr., Esquire, of Parker, Hudson, Rainer & Dobbs, LLP, Atlanta, Georgia, and Sean J. Coughlin, Esquire, of Salomon Smith Barney, Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: September 14, 1999.

Claimant, Mitchell, signed the Uniform Submission Agreement: September 3, 1999.

Joint Statement of Answer filed by Respondents, Smith Barney and Citigroup, on or about: December 9, 1999.

Neither Respondent signed the Uniform Submission Agreement, nor did any representative for either Respondent.

CASE SUMMARY

Claimant asserted the following causes of action: constructive termination; illegal forfeiture provisions in violation of Kentucky state law; breach of fiduciary duty; and unjust enrichment.

Unless specifically admitted in their Joint Answer, Respondents, Smith Barney and Citigroup, denied the allegations made in the Statement of Claim and asserted the following defenses: failure to state a cause of action upon which relief may be granted; violation of applicable statutes of limitation; failure to mitigate; and violation of the statute of frauds.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$594,788.00
Interest	unspecified
Fees	unspecified
Other Costs	unspecified

Respondents, Smith Barney and Citigroup, requested that the Statement of Claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent, Salomon Smith Barney, Inc., did not sign the Uniform Submission Agreement. However, this Respondent is bound by the decision of the Panel in this matter pursuant to Rule 10301 of the Code of Arbitration Procedure. Additionally, Smith Barney filed an Answer and appeared in its own defense at the hearing.

Respondent, Citigroup, Inc., did not sign the Uniform Submission Agreement. However, this Respondent filed an Answer and appeared in its own defense at the hearing, and is therefore bound by the decision of the Panel.

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:

The Panel finds in favor of Claimant Richard M. Mitchell, and awards Two Hundred Twenty Thousand Dollars (\$220,000) in compensatory damages. Additionally, the Panel awards interest at the legal rate accruing from the date of service of this Award until paid. Respondents Salomon Smith Barney, Inc., and Citigroup, Inc., are jointly and severally liable for the entire amount awarded, including both compensatory damages and interest.

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 Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 375
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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 event(s) giving rise to the dispute. In this matter, the member firm is Salomon Smith Barney, Inc.

Member surcharge	= \$2,000
Pre-hearing Process Fee	= \$ 600
Hearing Process Fee	= \$3,500

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 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 - single arbitrator x \$450	= \$ 450
Pre-hearing conference: June 7, 2000	1 session

One (1) Pre-hearing session - Panel x \$1,200	= \$1,200
Pre-hearing conference: March 24, 2000	1 session

Four (4) Hearing sessions x \$1,200	= \$4,800
Hearing Date(s): September 19, 2000	2 sessions
September 20, 2000	2 sessions

Total Forum Fees	= \$6,450
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1. The Panel has assessed \$3,225 of the forum fees to Claimant, Richard M. Mitchell.
2. The Panel has assessed \$3,225 of the forum fees to Respondents, Smith Barney and Citigroup, jointly and severally.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 375
Forum Fees	= \$3,225
<u>Total Fees</u>	<u>= \$3,600</u>
<u>Less payments</u>	<u>= \$1,575</u>
Balance Due NASD Dispute Resolution, Inc.	= \$2,025

2. Respondent, Salomon Smith Barney, Inc., be and hereby is solely liable for:

Member Surcharge	= \$2,000
Pre-hearing Process Fee	= \$ 600
<u>Hearing Process Fee</u>	<u>= \$3,500</u>
<u>Total Fees</u>	<u>= \$6,100</u>
<u>Less payments</u>	<u>= \$6,100</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0

3. Respondents, Salomon Smith Barney, Inc., and Citigroup, Inc., be and hereby are jointly and severally liable for:

Forum Fees	= \$3,225
<u>Total Fees</u>	<u>= \$3,225</u>
<u>Less Payments</u>	<u>= \$ 0</u>
Balance Due NASD Dispute Resolution, Inc.	= \$3,225

All balances are due to NASD Dispute Resolution, Inc.

Arbitrators' Signatures

Joel K. Jensen
Joel K. Jensen, Esq.
Public Arbitrator and Presiding Chair

November 8, 2000
Signature Date

F. Wesley Bowers
F. Wesley Bowers, JD
Public Arbitrator

November 8, 2000
Signature Date

Stuart Arthur Reagan, Sr.
Stuart Arthur Reagan, Sr., CFA
Non-Public Arbitrator

November 9, 2000
Signature Date

November 13, 2000
Date of Service (For NASD office use only)

Richard M. Mitchell vs. Salomon Smith Barney, Inc. and Citigroup, Inc.
NASD-ITR Arbitration #99-04198
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Fee Summary

- 1 Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 375
Forum Fees	= \$3,225
Total Fees	= \$3,600
Less payments	= \$1,575
Balance Due NASD Dispute Resolution, Inc.	= \$2,025

- 2 Respondent, Salomon Smith Barney, Inc., be and hereby is solely liable for:

Member Surcharge	= \$2,000
Pre-hearing Process Fee	= \$ 600
Hearing Process Fee	= \$3,500
Total Fees	= \$6,100
Less payments	= \$6,100
Balance Due NASD Dispute Resolution, Inc.	= \$ 0

- 3 Respondents, Salomon Smith Barney, Inc., and Citigroup, Inc., be and hereby are jointly and severally liable for:

Forum Fees	= \$3,225
Total Fees	= \$3,225
Less Payments	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$3,225

All balances are due to NASD Dispute Resolution, Inc.

Arbitrators' Signatures


Mark K. Jensen, Esq.
Public Arbitrator and Presiding Chair

11/08/00
Signature Date

F. Wesley Bowers, JD
Public Arbitrator

Signature Date

Stuart Arthur Reagan, Sr., CFA
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Richard M. Mitchell vs. Salomon Smith Barney, Inc. and Citigroup, Inc.
NASD-IR Arbitration #99-04198
Page 4 of 4

Fee Summary

1 Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 375
Forum Fees	= \$3,225
Total Fees	= \$3,600
Less payments	= \$1,575
Balance Due NASD Dispute Resolution, Inc.	= \$2,025

2 Respondent, Salomon Smith Barney, Inc., be and hereby is solely liable for:

Member Surcharge	= \$2,000
Pre-hearing Process Fee	= \$ 600
Hearing Process Fee	= \$3,500
Total Fees	= \$6,100
Less payments	= \$6,100
Balance Due NASD Dispute Resolution, Inc.	= \$ 0

3 Respondents, Salomon Smith Barney, Inc., and Citigroup, Inc., be and hereby are jointly and severally liable for:

Forum Fees	= \$3,225
Total Fees	= \$3,225
Less Payments	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$3,225

All balances are due to NASD Dispute Resolution, Inc.

Arbitrators' Signatures

Joel K. Jensen, Esq.
Public Arbitrator and Presiding Chair

Wesley Bowers

F. Wesley Bowers, JD
Public Arbitrator

Signature Date

11 / 08 / 00

Signature Date

Stuart Arthur Reagan, Sr., CFA
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Richard M. Mitchell vs. Salomon Smith Barney, Inc. and Citigroup, Inc.
 NASD-IR Arbitration #99-04198
 Page 4 of 4

Fee Summary

1 Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 375
Forum Fees	= \$3,225
Total Fees	= \$3,600
Less payments	= \$1,575
Balance Due NASD Dispute Resolution, Inc.	= \$2,025

2 Respondent, Salomon Smith Barney, Inc., be and hereby is solely liable for:

Member Surcharge	= \$2,000
Pre-hearing Process Fee	= \$ 600
Hearing Process Fee	= \$3,500
Total Fees	= \$6,100
Less payments	= \$8,100
Balance Due NASD Dispute Resolution, Inc.	= \$ 0

3 Respondents, Salomon Smith Barney, Inc., and Citigroup, Inc., be and hereby are jointly and severally liable for:

Forum Fees	= \$3,225
Total Fees	= \$3,225
Less Payments	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$3,225

All balances are due to NASD Dispute Resolution, Inc.

Arbitrators' Signatures

Joel K. Jensen, Esq.
 Public Arbitrator and Presiding Chair

Signature Date

F. Wesley Bowers, JD
 Public Arbitrator

Signature Date


 Stuart Arthur Reagan, Sr., CFA
 Non-Public Arbitrator

11-9-2000
 Signature Date

Date of Service (For NASD office use only)