

Award
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Claimants

Case Number: 08-03212

Laurence Abramson
Ilene Abramson
Abramson Living Trust UAS 4/1/02
Bruce H. Spector
The Spector Family Trust U/A/D 08/16/93
Michael Piuze

Respondent

Hearing Site: Los Angeles, California

Citigroup Global Markets, Inc.

Nature of the Dispute: Customers vs. Member

REPRESENTATION OF PARTIES

Claimants, Laurence Abramson, Ilene Abramson, Abramson Living Trust UAS 4/1/02, Bruce H. Spector, The Spector Family Trust U/A/D 08/16/93, and Michael Piuze hereinafter collectively referred to as "Claimants": Philip Aidikoff, Esq., and Ryan K. Bakhtiari, Esq., Aidikoff, Uhl & Bakhtiari, Beverly Hills, CA; and Steven B. Caruso, Esq., Maddox Hargett & Caruso, P.C., New York, NY.

Respondent, Citigroup Global Markets, Inc., hereinafter referred to as "Respondent": Peter R. Boutin, Esq., Keesal, Young & Logan, San Francisco, CA.

CASE INFORMATION

Statement of Claim filed on or about: September 09, 2008

Claimants Laurence Abramson, Ilene Abramson and Abramson Living Trust UAS 4/1/02 signed the Submission Agreement: August 28, 2008

Claimants Bruce H. Spector and The Spector Family Trust U/A/D 08/16/93 signed the Submission Agreement: September 02, 2008

Claimant Michael Piuze signed the Submission Agreement: September 02, 2008

Statement of Answer filed by Respondent on or about: November 4, 2008

Respondent signed the Submission Agreement: October 14, 2008

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CASE SUMMARY

Claimants asserted the following causes of action: 1) breach of fiduciary duty; 2) breach of contract; 3) constructive fraud; 4) violations of FINRA, NASD, and NYSE Rules; 5) unsuitability; 6) failure to supervise; and 7) respondeat superior. Claimants' causes of action arise from investments in the California tax free municipal bond fund Mat Five LLC Series MAT Five 2001 1-CA.

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

RELIEF REQUESTED

In the Statement of Claim, Claimants requested:

1. General and compensatory damages in an amount not less than \$2,000,000.00, minus residual value and/or amounts withdrawn;
2. Lost opportunity costs;
3. Fees, commissions or other remuneration paid to Respondent by Claimants;
4. Cost of proceedings;
5. Punitive damages;
6. Interest at the legal rate on all sums recovered;
7. Attorneys' fees and costs;
8. Rescission; and
9. Such other and further relief as this Panel deems just and appropriate.

Respondent requested that the Statement of Claim be dismissed with prejudice, with the costs associated with the arbitration proceeding assessed against the Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

The Panel acknowledges that they have each read the pleadings and other materials filed by the parties.

On April 19, 2010, the parties and the Panel agreed Panelist Steven Gourley would replace Elliott Zachary Seff as the Presiding Chairperson in this arbitration.

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. Respondent is liable to and shall pay Claimants Laurence Abramson, Ilene Abramson, and Abramson Living Trust UAS 4/1/02 compensatory damages of \$383,000.00.

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2. Respondent is liable to and shall pay Claimants Laurence Abramson, Ilene Abramson, and Abramson Living Trust UAS 4/1/02 interest on the aforementioned amount of \$383,000.00 at a rate of 10% beginning from April 30, 2009 until the award is paid in full to Claimants Laurence Abramson, Ilene Abramson, and Abramson Living Trust UAS 4/1/02.
3. Respondent is liable to and shall pay Claimants Bruce H. Spector and The Spector Family Trust U/A/D 08/16/93 compensatory damages of \$383,000.00.
4. Respondent is liable to and shall pay Claimants Bruce H. Spector and The Spector Family Trust U/A/D 08/16/93 interest on the aforementioned amount of \$383,000.00 at a rate of 10% beginning from April 30, 2009 until the award is paid in full to Claimants Bruce H. Spector and The Spector Family Trust U/A/D 08/16/93.
5. Respondent is liable to and shall pay Claimant Michael Piuze compensatory damages of \$766,000.00.
6. Respondent is liable to and shall pay Claimant Michael Piuze interest on the aforementioned amount of \$766,000.00 at a rate of 10% beginning from April 30, 2009 until the award is paid in full to Claimant Michael Piuze.
7. Respondent is liable to and shall pay Claimants costs of \$25,169.69.
8. 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

FINRA Dispute Resolution assessed a filing fee* for each claim:

Initial claim filing fee	= \$1,800.00
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**The filing fee is made up of a non-refundable and a refundable portion.*

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, as a party, Citigroup Global Markets, Inc. is assessed the following:

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

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April 23, 2010 hearing adjournment requested by Parties = \$1,200.00

1. The Panel waived the above adjournment fee.

Contested Motion for Issuance of a Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) Decision on a contested motion for the issuance of a subpoena
 with one arbitrator @ \$200.00 = \$200.00

Total Contested Motion for Issuance of Subpoenas Fees = \$200.00

1. The Panel has assessed \$200.00 of the contested motion for issuance of subpoenas fees to Respondent.

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each session conducted. 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:

Three (3) Pre-hearing sessions with Panel @ \$1,200.00/session = \$3,600.00

Pre-hearing conferences: March 16, 2009 1 session
 April 08, 2009 1 session
 April 16, 2009 1 session

Twelve (12) hearing sessions @ \$1,200.00/session = \$14,400.00

Hearing Dates: April 19, 2010 2 sessions
 April 20, 2010 2 sessions
 April 21, 2010 2 sessions
 April 22, 2010 2 sessions
 April 26, 2010 2 sessions
 April 27, 2010 2 sessions

Total Hearing Session Fees = \$18,000.00

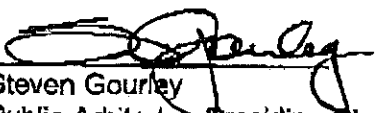
1. The Panel has assessed \$16,800.00 of the hearing session fees to Respondent.
2. The Panel has waived \$1,200.00 of the hearing session fees.

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ARBITRATION PANEL

Steven Gourley	-	Public Arbitrator, Presiding Chairperson
Elliott Zachary Seff	-	Public Arbitrator
Stephen B. Benton	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


 Steven Gourley
 Public Arbitrator, Presiding Chairperson

5/7/10
 Signature Date

 Elliott Zachary Seff
 Public Arbitrator

 Signature Date

 Stephen B. Benton
 Non-Public Arbitrator

 Signature Date

5/11/10
 Date of Service (For FINRA Dispute Resolution use only)

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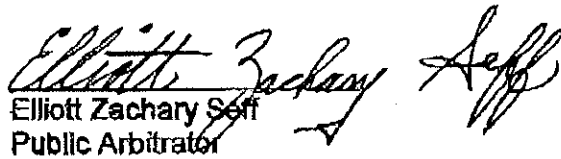
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Steven Gourley	-	Public Arbitrator, Presiding Chairperson
Elliott Zachary Seff	-	Public Arbitrator
Stephen B. Benton	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Steven Gourley
Public Arbitrator, Presiding Chairperson

Signature Date


Elliott Zachary Seff
Public Arbitrator

May 8, 2010
Signature Date

Stephen B. Benton
Non-Public Arbitrator

Signature Date

5/11/10
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ARBITRATION PANEL

Steven Gourley	-	Public Arbitrator, Presiding Chairperson
Elliott Zachary Seff	-	Public Arbitrator
Stephen B. Benton	-	Non-Public Arbitrator


Concurring Arbitrators' Signatures

Steven Gourley
Public Arbitrator, Presiding Chairperson

Signature Date

Elliott Zachary Seff
Public Arbitrator

Signature Date



Stephen B. Benton
Non-Public Arbitrator

5/8/2010

Signature Date

5/11/10

Date of Service (For FINRA Dispute Resolution use only)