

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of the Claimant  
James M. Gorman

Case Number: 03-00502

Name of the Respondents  
Citigroup Global Markets, Inc.  
and Stanley J. Kuzia, Jr.

Hearing Site: Kansas City, Missouri

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Type of Controversy: Customer v. Member Firm and Associated Person

**REPRESENTATION OF PARTIES**

Claimant James M. Gorman ("Gorman") was represented by Diane A. Nygaard, Esq. of the Nygaard Law Firm located in Leawood, Kansas.

Respondents Citigroup Global Markets, Inc. and Stanley J. Kuzia, Jr., hereinafter collectively referred to as "Respondents" were represented by Joseph A. Sack, Esq. in-house counsel for Citigroup with offices in New York, New York.

**CASE INFORMATION**

Statement of Claim filed on or about: January 22, 2003.

Claimant Gorman signed the Uniform Submission Agreement: January 12, 2003.

Joint Statement of Answer filed by Respondents on or about: March 21, 2003.

Claimant's Motion for Award or, in the alternative, Sanctions against Citigroup and Kuzia filed on or about: June 10, 2004.

Respondents' Response to Claimant's Motion for Award or, in the alternative, Sanctions against Citigroup and Kuzia filed on or about: June 11, 2004.

**CASE SUMMARY**

Claimant Gorman asserted the following causes of action: Fraud; Negligence; Violation of NASD Rules 2110, 2310, and 3010; Breach of Contract; Breach of Fiduciary Duty; and Violation of the Kansas Securities Act.

The causes of action relate to investments in technology and telecommunications stock.

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

**RELIEF REQUESTED**

**Claimant Gorman requested:**

Compensatory Damages	unspecified in the statement of claim
Punitive Damages	unspecified
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	sanctions and any other relief the panel deems just and proper

**Respondents requested:**

Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	denial and dismissal of claims

**OTHER ISSUES CONSIDERED AND DECIDED**

Respondent Citigroup Global Markets, Inc. and Stanley J. Kuzia, Jr. did not file with NASD Dispute Resolution properly executed submission agreements to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

**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. Claimant's Motion for Award or, in the alternative, Sanctions against Citigroup Global Markets, Inc. and Stanley J. Kuzia is denied
2. Any and all claims asserted by James M. Gorman against Respondents Citigroup Global Markets, Inc. and Stanley J. Kuzia, Jr. are denied.
3. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Stanley J. Kuzia's records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Stanley J. Kuzia must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
4. Except as specified herein, each party shall bear their own costs.
5. 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 = \$ 250.00

**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. is assessed the following fees:

Member surcharge = \$1,500.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$2,200.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

Citigroup Global Markets requested postponement of the April 5, 2004 hearing date  
= \$ 1,000.00

**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 sessions with a single arbitrator at \$450.00 = \$ 450.00

Pre-hearing conference: June 4, 2004 1 session

Two (2) Pre-hearing sessions with Panel at \$1,000.00 = \$2,000.00

Pre-hearing conferences: July 8, 2003 1 session

June 14, 2004 1 session

Five (5) Hearing sessions at \$1,000.00 = \$5,000.00

Hearing Dates: June 15, 2004 2 sessions

June 16, 2004 2 sessions

June 17, 2004 1 session

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Total Forum Fees = \$7,450.00

1. The Panel has assessed \$2,483.33 of the forum fees to James M. Gorman.
2. The Panel has assessed \$2,483.33 of the forum fees to Citigroup Global Markets, Inc.
3. The Panel has assessed \$2,483.33 of the forum fees to Stanley J. Kuzia, Jr.

**FEE SUMMARY**

1. Claimant James M. Gorman is solely liable for:	
Initial Filing Fee	= \$ 250.00
Forum Fees	= \$2,483.33
Total Fees	= \$2,733.33
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$1,308.33
2. Respondent Citigroup Global Markets, Inc. is solely liable for:	
Member Fees	= \$4,450.00
Adjournment Fee	= \$1,000.00
Forum Fees	= \$2,483.33
Total Fees	= \$7,933.33
Less payments	= \$3,000.00
Balance Due NASD Dispute Resolution	= \$4,933.33
3. Respondent Stanley J. Kuzia, Jr. is solely liable for:	
Forum Fees	= \$2,483.33
Balance Due NASD Dispute Resolution	= \$2,483.33

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

**ARBITRATION PANEL**

Robert E. Eisler, Jr.	-	Public Arbitrator, Presiding Chairperson
Eric T. Williams, Esq.	-	Public Arbitrator
John W. Jones, CFP	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/ Robert E. Eisler  
Robert E. Eisler, Jr.  
Public Arbitrator, Presiding Chairperson

July 16, 2004  
Signature Date

/s/ Eric T. Williams  
Eric T. Williams, Esq.  
Public Arbitrator

July 16, 2004  
Signature Date

John W. Jones  
John W. Jones, CFP  
Non-Public Arbitrator

July 16, 2004  
Signature Date

July 16, 2004 Date of Service (For NASD Dispute Resolution office use only)

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Eric T. Williams, Esq.	-	Public Arbitrator
John W. Jones, CFP	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

  
Robert E. Eisler, Jr.  
Public Arbitrator, Presiding Chairperson

7/16/2004  
Signature Date

Eric T. Williams, Esq.  
Public Arbitrator

Signature Date

John W. Jones, CFP  
Non-Public Arbitrator

Signature Date

7/16/04 Date of Service (For NASD Dispute Resolution office use only)

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Robert E. Ehler, Jr.	-	Public Arbitrator, Presiding Chairperson
Eric T. Williams, Esq.	-	Public Arbitrator
John W. Jones, CFP	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

Robert E. Ehler, Jr.  
Public Arbitrator, Presiding Chairperson

Signature Date

  
Eric T. Williams, Esq.  
Public Arbitrator

16 July 2004  
Signature Date

John W. Jones, CFP  
Non-Public Arbitrator

Signature Date

\_\_\_\_\_  
Date of Service (For NASD Dispute Resolution office use only)

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Eric T. Williams, Esq.	-	Public Arbitrator
John W. Jones, CFP	-	Non-Public Arbitrator

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Robert E. Elsler, Jr.  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

Eric T. Williams, Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

  
John W. Jones, CFP  
Non-Public Arbitrator

7.16.04  
Signature Date

\_\_\_\_\_  
Date of Service (For NASD Dispute Resolution office use only)