

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Charles R. Kuhno (Claimant) v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and James Joseph Reilly (Respondents)

Case Number: 03-00637

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimant Charles R. Kuhno ("Kuhno") hereinafter referred to as "Claimant": Eric J. Sussman, Esq., Garden City, NY.

Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and James Joseph Reilly ("Reilly") hereinafter collectively referred to as "Respondents": Joseph A. Sack, Esq., Citigroup Global Markets, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: January 23, 2003.

Claimant signed the Uniform Submission Agreement: January 22, 2003.

Joint Statement of Answer filed by Respondents on or about: April 15, 2003.

Respondent Citigroup signed the Uniform Submission Agreement: August 22, 2003.

Respondent Reilly signed the Uniform Submission Agreement: September 2, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: unauthorized trading; suitability; improper use of margin; improper and unsuitable options trading; failure to supervise; and breach of fiduciary duty. The causes of action relate to various common stocks and options, including but not limited to Pacific Century Cyberworks, Digex, Inc., and Network Appliance Corp.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$140,000.00 for losses in his account; commissions; compensatory damages in the amount of \$30,000.00 for margin interest and fees; compensatory damages in the amount of \$100,000.00 for lost opportunity costs; punitive damages; interest equal to the New York Statutory rate of 9% from the opening of the account until the payment of any award; costs and legal expenses; and additional damages.

Respondents requested that the claim be denied, and dismissed with prejudice, with the costs associated with this arbitration proceeding assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

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, and 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. The claims of Claimant are denied 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
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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 events giving rise to the dispute. Accordingly, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. 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:

March 29-31, 2004, adjournment by Claimant = Waived

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:

Two (2) Pre-hearing sessions with Panel @ \$1,125.00 = \$2,250.00

Pre-hearing conferences: September 9, 2003 1 session
March 25, 2004 1 session

Three (3) Hearing sessions @ \$1,125.00 = \$3,375.00

Hearing Dates: November 3, 2004 1 session
November 16, 2004 2 sessions

Total Forum Fees = \$5,625.00

1. The Panel has assessed \$2,812.50 of the forum fees against Claimant.
2. The Panel has assessed \$2,812.50 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$2,812.50
Total Fees	= \$3,112.50
<u>Less payments</u>	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$1,687.50

2. Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$5,200.00
Total Fees	= \$5,200.00
<u>Less payments</u>	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$2,812.50
Total Fees	= \$2,812.50
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$2,812.50

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

NASD REGULATION

NASD Dispute Resolution
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ARBITRATION PANEL

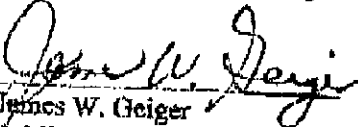
John R. Mitchell, CPA	-	Public Arbitrator, Presiding Chairperson
James W. Geiger	-	Public Arbitrator
Arthur Best	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

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 instrument which is my award.

John R. Mitchell, CPA
Public Arbitrator, Presiding Chairperson

Signature Date


James W. Geiger
Public Arbitrator

11/22/04
Signature Date

Arthur Best
Non-Public Arbitrator

Signature Date

December 3, 2004

Date of Service (For NASD Dispute Resolution use only)

Post-It™ brand fax transmittal memo 7671		# of pages > 1
To <u>TSOOK LEG</u>	From <u>Jim Geiger</u>	
Co.	Co.	
Dept.	Phone #	
Fax # <u>812-208-7540</u>	Fax #	