

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

---

**In the Matter of the Arbitration Between:**

**Geoffrey S. Paul, Claimant v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.  
and Clifford R. Wilmot III, Respondents**

**Clifford R. Wilmot III, Counter-Claimant v. Geoffrey S. Paul, Counter-Respondent**

**Clifford R. Wilmot III, Third-Party Claimant v. Prescott M. Dunbar, Third-Party Respondent**

**Case Number: 03-03145**

**Hearing Site: Los Angeles, California**

---

Nature of the Disputes:  
Associated Person v. Member and Associated Person  
Associated Person v. Associated Person  
Associated Person v. Customer

**REPRESENTATION OF PARTIES**

**For Claimant Geoffrey S. Paul  
(hereinafter referred to as Claimant Paul):**

**Michael Blumenfeld, Esq.  
Freeman, Freeman & Smiley, LLP  
Los Angeles, California**

**For Respondent Citigroup Global Markets, Inc.  
f/k/a Salomon Smith Barney, Inc. (hereinafter  
referred to as Respondent Citigroup Global Markets, Inc.):**

**Lori A. Bowman, Esq.  
Jaimi L. Kerr, Esq.  
Orrick, Herrington & Sutcliffe, LLF  
Los Angeles, California**

**For Respondent / Counterclaimant /  
Third-Party Claimant Clifford Wilmot, III  
(hereinafter referred to as Respondent Wilmot):**

**Clifford Wilmot, III  
In Propria Persona  
West Hollywood, California**

**CASE INFORMATION**

Statement of Claim filed Geoffrey S. Paul: April 28, 2003

Claimant Geoffrey S. Paul's Uniform Submission Agreement signed: April 28, 2003

Statement of Answer filed by Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.: July 18, 2003

Statement of Answer, Counterclaim, and Third-Party Claim filed by Respondent Clifford R. Wilmot, III: June 24, 2003

Respondent Clifford R. Wilmot, III's Uniform Submission Agreement signed: June 19, 2003

Statement of Answer to Counterclaim filed by Counter-Respondent Geoffrey S. Paul: July 3, 2003

**CASE SUMMARY**

Claimant Paul alleged slander, intentional and/or negligent interference with prospective economic advantage, and violation of the California Business and Professions Code Section 17200.

Respondent Citigroup Global Markets, Inc. denied the allegations of wrongdoing set forth in Claimant Paul's Statement of Claim and asserted various affirmative defenses.

Respondent Wilmot denied the allegations of wrongdoing set forth in the Claimant Paul's Statement of Claim and asserted various affirmative defenses.

Respondent Wilmot filed a Counterclaim against Claimant Paul alleging defamation, intentional interference with contractual relations, civil conspiracy, breach of contract, and breach of fiduciary duty.

Respondent Wilmot filed a Third-Party Claim against Third-Party Respondent Dunbar, alleging defamation, intentional interference with contractual relations, and civil conspiracy.

**RELIEF REQUESTED**

Claimant Paul requested \$1,000,000.00 in compensatory damages, unspecified punitive damages, the permanent enjoinder of Respondents Citigroup Global Markets, Inc. and Wilmot from engaging in acts of unfair competition, and costs, including attorney's fees.

Respondent Citigroup Global Markets, Inc. requested dismissal of the Claimant Paul's Statement of Claim in its entirety.

Respondent Wilmot requested dismissal of the Claimant Paul's Statement of Claim in its entirety.

In his Counter- and Third-Party Claims, Respondent Wilmot requested unspecified compensatory damages, unspecified punitive damages, and costs, including attorney's fees against both Paul and Dunbar.

Claimant Paul requested dismissal of Respondent Wilmot's Counterclaim against him in its entirety and costs, including attorney's fees.

#### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. did not file with the NASD Dispute Resolution a properly executed submission agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

On September 15, 2003, Claimant and Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On June 18, 2003, Respondent Clifford R. Wilmot, III signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

On February 9, 2004 Third-Party Claimant Clifford R. Wilmot, III dismissed Third-Party Respondent Prescott Dunbar with prejudice.

On February 4, 2005 Claimant Geoffrey Scott Paul dismissed Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. with prejudice.

The parties 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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant Geoffrey S. Paul's claims are denied in their entirety.
- 2) Respondent Clifford R. Wilmot III 's claims are denied in their entirety.
- 3) The parties shall bear their respective costs, including attorney's fees.
- 4) All other relief requested and not expressly granted is denied.

**FEES**

Pursuant to the Code, the following fees are assessed:

**Filing Fees**

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 375.00
Respondent Wilmot's Counter- and Third-Party Claims	= \$ 250.00

**Member Fees**

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Citigroup Global Markets, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,250.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 4,000.00</u>
<b>Total Member Fees</b>	<b>= \$ 7,000.00</b>

**Adjournment Fees**

The following adjournment fees are assessed:

January 11-14, 2005 adjournment requested by Respondent Wilmot	= \$ 1,200.00
--	---------------

The panel assessed the entire balance of the adjournment fee to Respondent Wilmot.

**Forum Fees and Assessments**

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$ 2,400.00
Pre-hearing conferences: February 17, 2004 1 session	
January 10, 2005 1 session	

Sixteen (16) Hearing sessions @ \$1,200.00/session = \$19,200.00

Hearings:	April 18, 2005	2 sessions
	April 19, 2005	2 sessions
	April 20, 2005	2 sessions
	April 21, 2005	3 sessions
	April 22, 2005	2 sessions
	August 22, 2005	2 sessions
	August 23, 2005	2 sessions
	August 24, 2005	1 session

---

**Total Forum Fees** = **\$21,600.00**

1. The Panel assessed \$10,200.00 of the forum fees to Claimant Geoffrey S. Paul.
2. The Panel assessed \$300.00 of the forum fees to Respondent Citigroup Global Markets, Inc.
3. The Panel assessed \$11,100.00 of the forum fees to Respondent Clifford R. Wilmot III.

**Administrative Costs**

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

Claimant Geoffrey S. Paul requested	
18 photocopies @ \$0.50 each:	= \$ 9.00

**Fee Summary**

1. Claimant Geoffrey S. Paul is charged with the following fees and costs:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$10,200.00
<u>Administrative Costs</u>	= \$ 9.00
Total Fees	= \$10,584.00
<u>Less payments</u>	= \$ (1,575.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 9,009.00</b>

2. Respondent Citigroup Global Markets Inc. is charged with the following fees and costs:

Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	= \$ 300.00
Total Fees	= \$ 7,300.00
<u>Less payments</u>	= \$ (7,000.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 300.00</b>

3. Respondent Clifford R. Wilmot III is charged with the following fees and costs:

Counter-/Third-Party Claims Filing Fee	= \$ 250.00
Adjournment Fee	= \$ 1,200.00
<u>Forum Fees</u>	= \$11,100.00
Total Fees	= \$12,550.00
<u>Less payments</u>	= \$ (1,500.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$11,050.00</b>

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

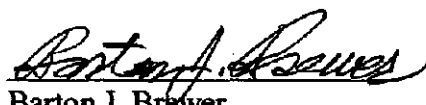
**ARBITRATION PANEL**

<i>Herbert M. Schoenberg, Esq.</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Martin Perlberger</i>	-	<i>Public Arbitrator</i>
<i>Barton J. Brewer</i>	-	<i>Non-Public Arbitrator</i>

**Concurring Arbitrators' Signatures**

  
\_\_\_\_\_  
Martin Perlberger  
Public Arbitrator

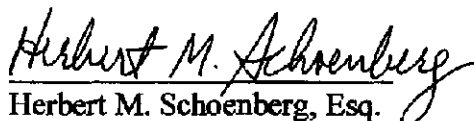
24 August 2005  
Signature Date

  
\_\_\_\_\_  
Barton J. Brewer  
Non-Public Arbitrator

8/24/05  
Signature Date

**Concurring in Part and Dissenting in Part Arbitrator's Signature**

The Chairperson is of the opinion that there was sufficient evidence in the record to support the claim for defamation asserted by Claimant Paul against Respondent Wilmot. As a result, the Chair respectfully dissents from that portion of the award denying Claimant Paul's claim for defamation.

  
\_\_\_\_\_  
Herbert M. Schoenberg, Esq.  
Chair, Public Arbitrator

August 24, 2005  
Signature Date

August 24, 2005  
Date of Service