

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Thomas J. Pokonosky, Claimant v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., Bernard S. Blotner, and Bruce R. Shanks, Respondents

Case Number: 03-09163

Hearing Site: San Diego, California

Nature of the Dispute: Customer v. Member and Associated Persons

REPRESENTATION OF PARTIES

For Claimant:

William S. Bonnheim, Esq.
William S. Bonnheim, PLC
Palm Desert, California

For Respondents:

Samuel A. Keesal, Jr., Esq.
Stacey M. Garrett, Esq.
Cary D. Sullivan, Esq.
Keesal, Young & Logan
Long Beach, California

CASE INFORMATION

Statement of Claim filed on or about: December 29, 2003

Claimant's Uniform Submission Agreement signed: December 18, 2003

Joint Statement of Answer filed by Respondents: March 18, 2004

Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.'s Uniform Submission Agreement signed: February 12, 2004

Respondent Bernard S. Blotner's Uniform Submission Agreement signed: May 7, 2004

Respondent Bruce R. Shanks' Uniform Submission Agreement signed: May 7, 2004

CASE SUMMARY

Claimant asserted the following causes of action: Negligence, Fraud, Unsuitability, Breach of Fiduciary Duty, Violation of the Securities Act of 1933, Violation of the Securities Exchange Act of 1934, Violation of California Corporations Code §25401, et seq., Failure to Supervise, Violation of NASD Rules and Regulations, and Violation of NYSE Rules and Regulations. The dispute involved Claimant's margin account and the purchase and/or sale of, among other various securities, Qualcomm stock.

Respondents denied all allegations of wrongdoing and denied all liability to Claimant.

RELIEF REQUESTED

Claimant sought \$1,400,826.18 in general and compensatory damages, plus interest, lost opportunity costs, disgorgement of commissions, attorney's fees and costs, and punitive damages.

Respondents sought dismissal of the claim, costs, and an order expunging the records of registered representatives Bernard S. Blotner and Bruce R. Shanks.

OTHER ISSUES CONSIDERED AND DECIDED

On April 7, 2004, 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.

Pursuant to the *Code of Arbitration Procedure* ("Code") 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 May 19, 2005, Respondents moved to dismiss Claimant's case in its entirety, and for an order expunging the records of registered representatives Bernard S. Blotner and Bruce R. Shanks. Claimant did not oppose the motion.

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's claims are dismissed in their entirety, with prejudice.
- 2) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Bernard S. Blotner's registration 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 Bernard S. Blotner must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 3) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Bruce R. Shanks' registration records maintained by the CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Bruce R. Shanks must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) 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	= \$ 500.00
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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. f/k/a Salomon Smith Barney, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,000.00
Total Member Fees	= \$ 8,550.00

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 conference sessions with the Panel @ \$1,200.00/session = \$ 1,200.00
Pre-hearing conference: July 12, 2004 1 session

Eight (8) Hearing sessions @ \$1,200.00/session = \$ 9,600.00
Hearings: May 16, 2005 2 sessions
May 17, 2005 2 sessions
May 18, 2005 2 sessions
May 19, 2005 2 sessions

Total Forum Fees = \$10,800.00

1. The Panel assessed \$5,400.00 of the forum fees to Claimant.
2. The Panel assessed \$5,400.00 of the forum fees to Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc.

Fee Summary

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

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	<u>= \$ 5,400.00</u>
Total Fees	= \$ 5,900.00
<u>Less payments</u>	<u>= \$(1,700.00)</u>
Balance Due NASD Dispute Resolution	= \$ 4,200.00
2. Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. is charged with the following fees and costs:

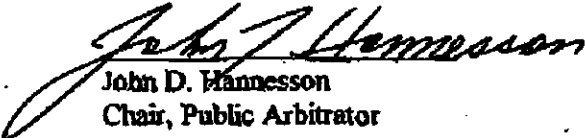
Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	<u>= \$ 5,400.00</u>
Total Fees	= \$13,950.00
<u>Less payments</u>	<u>= \$(8,550.00)</u>
Balance Due NASD Dispute Resolution	= \$ 5,400.00

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

John D. Hannesson	-	Public Arbitrator, Presiding Chair
Ronald O. Bub, Sr.	-	Public Arbitrator
Carl W. Vaicek, Jr.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


John D. Hannesson
Chair, Public Arbitrator

6-2-05
Signature Date

Ronald O. Bub, Sr.
Public Arbitrator

Signature Date

Carl W. Vaicek, Jr.
Non-Public Arbitrator

Signature Date

June 3, 2005
Date of Service

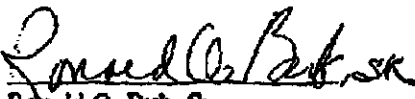
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Signature Date



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Public Arbitrator

5/31/05

Signature Date

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Signature Date

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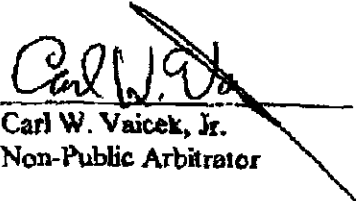
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