

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Herbert H. Warman (Claimant) v. Citicorp Investment Services and Lee Korn
(Respondents)

Case Number: 04-00201

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimant Herbert H. Warman ("Warman") hereinafter referred to as "Claimant" appeared *pro se*.

Respondents Citicorp Investment Services ("CIS") and Lee Korn ("Korn") hereinafter collectively referred to as "Respondents": Jennifer Sendor, Esq., Citicorp Investment Services, Long Island City, NY.

CASE INFORMATION

Statement of Claim filed on or about: January 12, 2004.

Response to Respondents' Motion to Dismiss filed on or about: April 12, 2004.

Claimant signed the Uniform Submission Agreement: January 22, 2004.

Joint Motion to Dismiss filed by Respondents on or about: March 22, 2004.

Joint Statement of Answer filed by Respondents on or about: August 12, 2004.

Respondent CIS did not sign the Uniform Submission Agreement.

Respondent Korn did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract; negligence; failure to supervise; and breach of fiduciary duty. Claimant's claim involved a variable annuity.

Unless specifically admitted in their 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 \$6,501.24; costs; and punitive damages in the amount of \$18,000.00.

Respondents requested that this matter be denied with all costs assessed against the Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but are required to submit to arbitration pursuant to the Code and, having answered the claim, and appeared and testified at the hearing, are bound by the determination of the Arbitrator on all issues submitted.

Respondents made a motion to dismiss the Statement of Claim; Claimant submitted an opposition to the motion. After due consideration, the Arbitrator denied the motion.

AWARD

After considering the pleadings, and the testimony and evidence presented at the hearing, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are dismissed in their entirety.
2. Any and all relief not specifically addressed herein, including punitive damages, is denied.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Citicorp Investment Services' and Lee Korn'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, Respondents Citicorp Investment Services and Lee Korn must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.

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	= \$125.00
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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, Citicorp Investment Services is a party.

Member surcharge = \$425.00

Forum Fees and Assessments

The Arbitrator has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with the sole arbitrator @ \$450.00 = \$ 900.00

Pre-hearing conferences: July 22, 2004 1 session

September 15, 2004 1 session

Two (2) Hearing sessions @ \$450.00 = \$ 900.00

Hearing Date: September 21, 2004 2 sessions

Total Forum Fees = \$1,800.00

1. The Arbitrator has assessed \$1,800.00 of the forum fees against Respondent CIS.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee = \$ 125.00

Total Fees = \$ 125.00

Less payments = \$ 575.00

Refund Due Claimant = \$ 450.00

2. Respondent CIS is solely liable for:

Member Fees = \$ 425.00

Forum Fees = \$1,800.00

Total Fees = \$2,225.00

Less payments = \$ 425.00

Balance Due NASD Dispute Resolution = \$1,800.00

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

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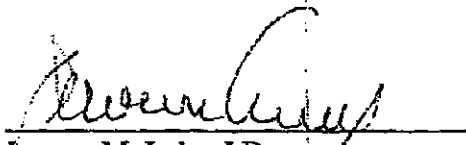
ARBITRATOR

Jerome M. Luks, J.D.

Sole Public Arbitrator

Arbitrator's Signature

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 in which is my award.


Jerome M. Luks, J.D.
Sole Public Arbitrator

10/6/04
Signature Date

October 7, 2004

Date of Service (For NASD Dispute Resolution use only)