

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Emilio A. Grugnale (Claimant) v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and Michael Higgins (Respondents)

Case Number: 04-00224

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimant Emilio A. Grugnale ("Grugnale") hereinafter referred to as "Claimant": Sheldon H. Gopstein, Esq., Law Offices of Sheldon H. Gopstein, New York, NY.

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

CASE INFORMATION

Statement of Claim filed on or about: January 13, 2004.

Claimant signed the Uniform Submission Agreement: November 12, 2003.

Joint Statement of Answer filed by Respondents on or about: March 4, 2004.

Respondent Citigroup signed the Uniform Submission Agreement: March 4, 2004.

Respondent Higgins did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: churning; securities fraud; unauthorized trading; unauthorized use of margin; common law fraud; misrepresentation; unsuitability; breach of fiduciary duties; negligence; breach of contract; control person liability; respondeat superior; apparent authority; and failure to supervise. The causes of action relate to various common stocks and options.

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 \$80,035.69; punitive damages in the amount of \$240,107.07; commissions; interest; NASD fees; attorneys' fees; costs; and such other and further relief as may be just, proper, and equitable.

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

OTHER ISSUES CONSIDERED AND DECIDED

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

During the hearing, Respondents Made a Motion to Dismiss because Claimant failed to make out a prima facie case and Motion for Sanctions due to Claimant's failure to timely respond to discovery requests. After due deliberation, the panel denied both Motions.

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. Claimant's claims are denied 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 Respondent Michael Higgins'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 Michael Higgins must obtain confirmation from a court of competent jurisdiction before the 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 = \$300.00

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. 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

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 session with Panel @ \$1,125.00	= \$1,125.00
Pre-hearing conference: May 19, 2004 1 session	
Five (5) Hearing sessions @ \$1,125.00	= \$5,625.00
Hearing Dates: March 22, 2005 2 sessions	
March 23, 2005 2 sessions	
March 24, 2005 1 session	
<hr/> Total Forum Fees	<hr/> = \$6,750.00

1. The Panel has assessed \$3,375.00 of the forum fees against Claimant.
2. The Panel has assessed \$3,375.00 of the forum fees against Respondent Citigroup.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$3,375.00</u>
Total Fees	= \$3,675.00
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$2,250.00

2. Respondent Citigroup is solely liable for:

Member Fees	= \$5,200.00
<u>Forum Fees</u>	<u>= \$3,375.00</u>
Total Fees	= \$8,575.00
<u>Less payments</u>	<u>= \$5,850.00</u>
Balance Due NASD Dispute Resolution	= \$2,725.00

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

NASD REGULATION

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ARBITRATION PANEL

Roselyn C. Dlutman, Esq.	-	Public Arbitrator, Presiding Chairperson
Arnold Linsky	-	Public Arbitrator
Matthew Loguercio	-	Non-Public Arbitrator

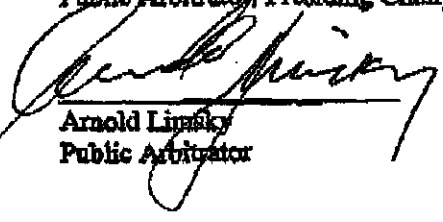
Concurring Arbitrators' Signatures

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.



Roselyn C. Dlutman, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Arnold Linsky
Public Arbitrator

Signature Date

Matthew Loguercio
Non-Public Arbitrator

Signature Date

April 21, 2005
Date of Service (For NASD Dispute Resolution use only)

NASD REGULATION

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ARBITRATION PANEL

Roselyn C. Dlutman, Esq.	-	Public Arbitrator, Presiding Chairperson
Arnold Limsky	-	Public Arbitrator
Matthew Loguercio	-	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.

Roselyn C. Dlutman, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Arnold Limsky
Public Arbitrator

Signature Date



Matthew Loguercio
Non-Public Arbitrator



Signature Date

April 21, 2005
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