

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc. (Claimant) vs. Vinay Kapoor (Respondent)

Case Number: 04-04871

Hearing Site: New York, New York

Nature of the Dispute: Member vs. Associated Person

REPRESENTATION OF PARTIES

Claimant Citigroup Global Markets Inc., f/k/a Salomon Smith Barney Inc., hereinafter referred to as "Claimant": Laura H. Allen, Esq., and Nicholas De Baun, Esq., Sidley Austin LLP, New York, NY.

Respondent Vinay Kapoor hereinafter referred to as "Respondent": Jihad M. Smaili, Esq., Jihad M. Smaili, Esq., L.L.C., Cleveland, OH.

CASE INFORMATION

Statement of Claim filed on or about: July 2, 2004.

Claimant signed the Uniform Submission Agreement: June 29, 2004.

Statement of Answer and Counterclaim filed by Respondent on or about: October 8, 2004.

Respondent signed the Uniform Submission Agreement: October 8, 2004.

CASE SUMMARY

Claimant asserted the following cause of action: failure to repay promissory note.

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

Respondent asserted the following causes of action in its Counterclaim: breach of express employment contract; breach of implied employment contract; quasi-contract; unjust enrichment; fraudulent misrepresentation; negligent misrepresentation; wrongful discharge; interference with business relationship; injurious falsehood; constructive publication of facts placing Respondent in a false light, and intentional/negligent infliction of emotional distress.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$489,600.00 plus interest from July 27, 2003 to the date of judgment in this matter, costs, disbursements, and such other and further relief as the Panel deems proper.

Respondent requested the dismissal of the Statement of Claim in its entirety, compensatory damages in an amount of \$7,000,000.00, attorneys' fees, costs, and any and all other relief as the Panel deems appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be executed.

AWARD

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

1. Respondent is liable for and shall pay Claimant compensatory damages in the amount of \$437,013.00, plus interest in the amount of \$109,738.82, which is calculated at a rate of 10% per annum, beginning from July 28, 2003 and ending on January 31, 2006.
2. Respondent is liable for and shall pay Claimant attorneys' fees in the amount of \$182,250.60 pursuant to the terms of the promissory note.
3. Claimant is liable for and shall pay Respondent compensatory damages in the amount of \$48,442.31, plus interest in the amount of \$12,164.40, which is calculated at a rate of 10% per annum, beginning from July 28, 2003 and ending on January 31, 2006.
4. Any and all relief not specifically addressed herein 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	= \$ 1,000.00
Counterclaim filing fee	= \$ 600.00

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 persons 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	= \$ 5,500.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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:

Three (3) Decisions on discovery-related motions on the papers
with (1) one arbitrator @ \$200.00 = \$ 600.00

Five (5) Pre-hearing session with Panel @ \$1,200.00 per session = \$ 6,000.00

Pre-hearing conferences: November 24, 2004 1 session
February 14, 2005 1 session
September 15, 2005 1 session
September 16, 2005 1 session
September 30, 2005 1 session

Eleven (11) Hearing sessions @ \$1,200.00 per session = \$ 13,200.00

Hearing Dates: January 23, 2006 1 sessions
January 24, 2006 2 sessions
January 25, 2006 2 sessions
January 26, 2006 2 sessions
January 27, 2006 2 sessions
February 27, 2006 2 sessions

Total Forum Fees = \$ 19,800.00

1. The Panel has assessed \$9,900.00 of the forum fees against the Claimant.
2. The Panel has assessed \$9,900.00 of the forum fees against the Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 7,950.00
<u>Forum Fees</u>	<u>= \$ 9,900.00</u>
Total Fees	= \$18,850.00
<u>Less payments</u>	<u>= \$ 7,325.00</u>
Balance Due NASD Dispute Resolution	= \$11,525.00

2. Respondent is solely liable for:

Counterclaim Filing Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$ 9,900.00</u>
Total Fees	= \$10,500.00
<u>Less payments</u>	<u>= \$ 2,825.00</u>
Balance Due NASD Dispute Resolution	= \$ 7,675.00

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

ARBITRATION PANEL

Dominick T. Scianandre	-	Non-Public Arbitrator, Presiding Chairperson
Frederick J. Maguire, Jr.	-	Non-Public Arbitrator
Richard V. Adams	-	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.



Dominick T. Scianandre
Non-Public Arbitrator, Presiding Chairperson

4/25/06
Signature Date

Frederick J. Maguire, Jr.
Non-Public Arbitrator

Signature Date

Richard V. Adams
Non-Public Arbitrator

Signature Date

April 26, 2006

Date of Service (For NASD Dispute Resolution use only)

4-12

ARBITRATION PANEL

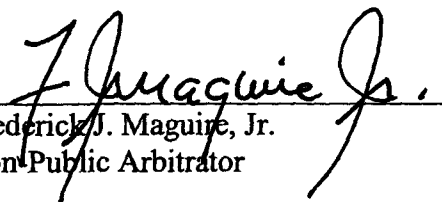
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Frederick J. Maguire, Jr.
Non-Public Arbitrator

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Signature Date

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Non-Public Arbitrator

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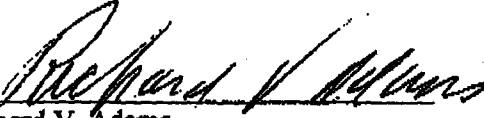
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