

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

---

In the Matter of the Arbitration Between:

Anthony Goncalves (Claimant) vs. Citigroup Global Markets, Inc. and Thomas Nolan (Respondents)

Case Number: 04-04998

Hearing Site: Hartford, Connecticut

---

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

**REPRESENTATION OF PARTIES**

Claimant Anthony Goncalves hereinafter referred to as "Claimant": Michael A. Stratton, Esq., Stratton Faxon, New Haven, CT.

Respondents Citigroup Global Markets, Inc. ("Citigroup") and Thomas Nolan ("Nolan") hereinafter collectively referred to as "Respondents": Jennifer M. Blunt, Esq., Kutak Rock, LLP, Washington, DC.

**CASE INFORMATION**

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

Claimant signed the Uniform Submission Agreement: June 9, 2004.

Statement of Answer filed by Respondents on or about: October 11, 2004.

Respondent Citigroup signed the Uniform Submission Agreement: September 9, 2004.

Respondent Nolan did not sign the Uniform Submission Agreement.

**CASE SUMMARY**

Claimant asserted the following causes of action: breach of contract, breach of fiduciary duty, failure to supervise, negligence, manipulation, omission of facts and suitability. The causes of action relate to the purchase of shares of Global Crossing, LTD stock.

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

**RELIEF REQUESTED**

Claimants requested compensatory damages in the amount of \$204,000.00, plus punitive damages in the amount of \$408,000.00, interest in the amount of \$51,000.00, attorneys' fees, costs and such other relief the Panel deems appropriate.

Respondents requested that Claimant's claims be dismissed in its entirety.

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

Nolan 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, appeared and testified at the hearing is bound by the determination of the Panel on all issues submitted.

On or about March 7, 2006 Claimant withdrew his claims against Nolan. At the hearing, Nolan requested expungement of his CRD record.

At the hearings, Citigroup made a Motion to Strike the admission of certain documents and Claimant submitted a revised schedule amending the amount of compensatory damages to \$241,000.00; all parties stipulated the information was correct. After due deliberation, the Panel denied said Motion and accepted the revised schedule.

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, 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. Citigroup is liable for and shall pay to Claimant compensatory damages in the amount of \$220,000.00.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Thomas Nolan's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondent Thomas Nolan must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130, the arbitration panel has made the following affirmative findings of fact:

The allegation is false.

3. Any and all relief not specifically addressed herein, including punitive damages, 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 = \$ 375.00

**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. is a party.

Member surcharge = \$ 2,250.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 4,000.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

January 26, 2006 adjournment by Claimant = \$ 1,200.00

**Three-Day Cancellation Fees**

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

January 26, 2006 adjournment by Claimant = \$ 300.00

**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:

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

Pre-hearing conferences:	January 17, 2005	1 session
	July 22, 2005	1 session
	November 28, 2005	1 session
	January 25, 2006	1 session
	March 3, 2006	1 session

Four (4) Hearing sessions @ \$1,200.00 = \$ 4,800.00

Hearing Dates:	March 8, 2006	2 sessions
	March 9, 2006	2 sessions

---

Total Forum Fees = \$10,800.00

1. The Panel has assessed \$10,800.00 of the forum fees to Citigroup.

**Fee Summary**

1. Claimant is solely liable for:

Initial Filing Fee = \$ 375.00

Adjournment Fee = \$ 1,200.00

<u>Three-Day Cancellation Fee</u>	= \$ 300.00
<u>Total Fees</u>	= \$ 1,875.00
<u>Less payments</u>	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 300.00

2. Respondent Citigroup, is solely liable for:

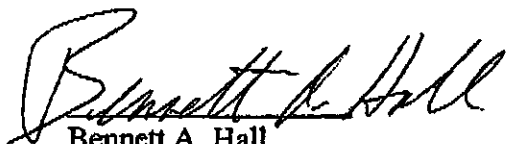
Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	= \$ 10,800.00
<u>Total Fees</u>	= \$ 17,800.00
<u>Less payments</u>	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 10,800.00

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

**ARBITRATION PANEL**

Bennett A. Hall	-	Public Arbitrator, Presiding Chairperson
Thomas Donoghue, Esq.	-	Public Arbitrator
Zenon Charles Tencza, Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**



Bennett A. Hall  
Public Arbitrator, Presiding Chairperson

3-20-06  
Signature Date

\_\_\_\_\_  
Thomas Donoghue, Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Zenon Charles Tencza, Esq.  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

March 21, 2006

\_\_\_\_\_  
Date of Service (For NASD Dispute Resolution use only)

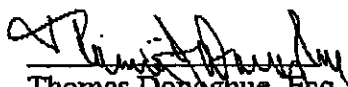
**ARBITRATION PANEL**

Bennett A. Hall	-	Public Arbitrator, Presiding Chairperson
Thomas Donoghue, Esq.	-	Public Arbitrator
Zenon Charles Tencza, Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Bennett A. Hall  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
Thomas Donoghue, Esq.  
Public Arbitrator

3/17/06  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Zenon Charles Tencza, Esq.  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

March 21, 2006

\_\_\_\_\_  
Date of Service (For NASD Dispute Resolution use only)

**ARBITRATION PANEL**

Bennett A. Hall	-	Public Arbitrator, Presiding Chairperson
Thomas Donoghue, Esq.	-	Public Arbitrator
Zenon Charles Tencza, Esq.	-	Non-Public Arbitrator

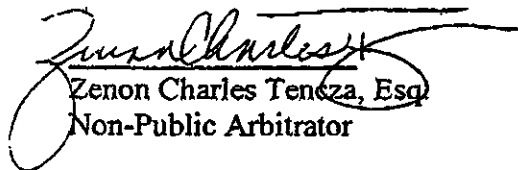
**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Bennett A. Hall  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Thomas Donoghue, Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
Zenon Charles Tencza, Esq.  
Non-Public Arbitrator

3/23/2006  
Signature Date

March 21, 2006  
Date of Service (For NASD Dispute Resolution use only)