

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Joel S. Kalemis, Individually and as
Trustee for the Joel S. Kalemis Trust,
Claimants,

Case Number: 04-08317
Hearing Site: St. Louis, Missouri

v.

Citigroup Global Markets, Inc.
f/k/a Salomon Smith Barney, Inc. and
David J. McKay, IV,
Respondents.

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

REPRESENTATION OF PARTIES

Joel S. Kalemis, Individually and as Trustee ("Kalemis"), hereinafter referred to as "Claimant":
Steven Koslovsky, Esq. of Maryland Heights, Missouri.

Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and David J. McKay, IV ("McKay"), hereinafter collectively referred to as "Respondents": William A. Hohaus, Esq. of Citigroup Global Markets, Inc. located in New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: December 6, 2004

Kalemis signed the Uniform Submission Agreement: December 3, 2004

Statement of Answer filed by Respondents Citigroup and McKay on or about: June 30, 2005

Citigroup signed the Uniform Submission Agreement: July 1, 2005

McKay signed the Uniform Submission Agreement: July 18, 2005

CASE SUMMARY

Claimant asserted the following causes of action: unauthorized trading, suitability, breach of fiduciary duty, and negligence. The causes of action relate to unspecified securities. Claimant asserted that Respondents improperly placed him in high-risk and volatile equities, which were unauthorized and unsuitable to his investment needs and objectives.

Unless specifically admitted in their Answer, Respondents Citigroup and McKay denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

Claimant requested \$500,000.00 in compensatory damages, punitive damages, cost, attorney's fees and all forum fees associated with this arbitration.

Respondents Citigroup and McKay requested that the Statement of Claim be dismissed in its entirety and for costs.

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. Any and all claims asserted by Claimant, Joel S. Kalemis, Individually and as Trustee for the Joel S. Kalemis Trust, are denied.
2. Except as otherwise specified herein, parties shall bear their own costs, including attorneys' fees.
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 = \$ 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 and is assessed the following fees:

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

January 24-26, 2006, adjournment by Respondents = \$1,125.00

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:

Two (2) Pre-hearing sessions with Panel @ \$1,125.00 = \$2,250.00

Pre-hearing conferences: April 21, 2005 1 session
 December 22, 2005 1 session

Six (6) Hearing sessions @ \$1,125.00 = \$6,750.00

Hearing Dates: May 2, 2006 3 sessions
 May 3, 2006 2 sessions
 May 4, 2006 1 session

Total Forum Fees = \$9,000.00

1. The Panel has assessed 50% of the total forum fees in the amount of \$4,500.00 solely to Claimant Joel S. Kalemis, Individually and as Trustee.
2. The Panel has assessed 50% of the total forum fees in the amount of \$4,500.00 jointly and severally to Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and David J. McKay, IV.

Fee Summary

1. Claimant, Joel S. Kalemis, is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$4,500.00
Total Fees	= \$4,800.00
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$3,375.00

2. Respondent, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. is solely liable for:

Member Fees	= \$5,200.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and David J. McKay IV, are jointly and severally liable for:

Adjournment Fee	= \$1,125.00
Forum Fees	= \$4,500.00
Total Fees	= \$5,625.00
Less payments	= \$1,125.00
Balance Due NASD Dispute Resolution	= \$4,500.00

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

ARBITRATION PANEL

Keith E. Mattern, Esq.	-	Public Arbitrator, Presiding Chairperson
Thomas J. Ray, Esq.	-	Public Arbitrator
Judith A. Payuk	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ Keith E. Mattern, Esq.
Keith E. Mattern, Esq.
Public Arbitrator, Presiding Chairperson

5/11/06
Signature Date

/s/ Thomas J. Ray, Esq.
Thomas J. Ray, Esq.
Public Arbitrator

5/11/06
Signature Date

/s/ Judith A. Payuk
Judith A. Payuk
Non-Public Arbitrator

5/11/06
Signature Date

5/11/06
Date of Service (For NASD Dispute Resolution use only)

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Keith E. Mattern, Esq.
 Public Arbitrator, Presiding Chairperson

5-11-06
 Signature Date

 Thomas J. Ray, Esq.
 Public Arbitrator

 Signature Date

 Judith A. Payuk
 Non-Public Arbitrator

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Thomas J. Gay, Esq.
Public Arbitrator

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Signature Date

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