

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

James Cappadona and Karen Cappadona (Claimants) vs. Citigroup Global Markets, Inc. (Respondent)

Case Number: 04-08552

Hearing Site: New York, New York

Nature of the Dispute: Customers vs. Member

REPRESENTATION OF PARTIES

Claimants James Cappadona ("J. Cappadona") and Karen Cappadona ("K. Cappadona") hereinafter collectively referred to as "Claimants": Edward F. Westfield, Esq., Edward Westfield, P.C., New York, NY.

Respondent Citigroup Global Markets, Inc., hereinafter referred to as "Respondent": Sean Coughlin, Esq., Citigroup Global Markets, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: December 20, 2004.

J. Cappadona signed the Uniform Submission Agreement: September 14, 2004.

K. Cappadona signed the Uniform Submission Agreement: September 14, 2004.

Answer to the Statement of Claim filed by Respondent on or about: March 7, 2005.

Respondent signed the Uniform Submission Agreement: March 7, 2005.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; breach of fiduciary duty; suitability, and negligence.

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$838,576.00, punitive damages, interest, attorneys' fees and costs. The causes of action relate to the investment strategy in connection with estate planning.

Respondent requested that Claimants' claims be dismissed in their entirety.

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 entered.

AWARD

After considering the pleadings, 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 to the Claimants \$100,000.00 in compensatory damages.
2. 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
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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 persons 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

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:

One (1) Pre-hearing conference session with a single arbitrator @ \$450.00 per session	
Pre-hearing conference:	April 10, 2006 1 session = \$ 450.00

Three (3) Pre-hearing conference sessions with Panel @ \$1,200.00 per session	
Pre-hearing conferences:	June 9, 2005 1 session = \$ 3,600.00
	November 14, 2005 1 session
	February 6, 2006 1 session

Six (6) Hearing sessions with Panel @ \$1,200.00 per session	= \$ 7,200.00
May 23, 2006	2 sessions
May 24, 2006	2 sessions
May 25, 2006	2 sessions
Total Forum Fees	\$11,250.00

1. The Panel has assessed \$5,625.00 jointly and severally against the Claimants.
2. The Panel has assessed \$5,625.00 against the Respondent.

Fee Summary

1. Claimant is solely liable for:	
Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 5,625.00
Total Fees	= \$ 6,000.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 4,425.00
2. Respondent is solely liable for:	
Member Fees	= \$ 7,000.00
Forum Fees	= \$ 5,625.00
Total Fees	= \$12,625.00
Less payments	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 5,625.00

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

ARBITRATION PANEL

Terrence H. Fraser, Esq.	-	Public Arbitrator, Presiding Chairperson
Richard Weinberger, Esq.	-	Public Arbitrator
John B. Sprung, Esq.	-	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.



Terrence H. Fraser, Esq.
Public Arbitrator, Presiding Chairperson

06/24/2006
Signature Date

Richard Weinberger, Esq.
Public Arbitrator

Signature Date

John B. Sprung, Esq.
Non-Public Arbitrator

Signature Date

June 23, 2006
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL


Terrence H. Fraser, Esq.	-	Public Arbitrator, Presiding Chairperson
Richard Weinberger, Esq.	-	Public Arbitrator
John B. Sprung, Esq.	-	Non-Public Arbitrator

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Terrence H. Fraser, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Richard Weinberger, Esq.
Public Arbitrator

June 24 2006

Signature Date

John B. Sprung, Esq.
Non-Public Arbitrator

Signature Date

June 23, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

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Terrence H. Fraser, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Richard Weinberger, Esq.
Public Arbitrator

Signature Date


John B. Sprung, Esq.
Non-Public Arbitrator

6/23/06
Signature Date

June 23, 2006

Date of Service (For NASD Dispute Resolution use only)