

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

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In the Matter of the Arbitration Between:  
Citigroup Global Markets Inc., Claimant v. Bruce W. Korus, Respondent

Case Number: 05-00402

Hearing Site: Seattle, Washington

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Nature of the Dispute: Member v. Associated Person

**REPRESENTATION OF PARTIES**

For Claimant:

Steven T. Masada, Esq.  
Hillis Clark Martin &  
Peterson  
Seattle, Washington

For Respondent:

Bruce W. Korus  
Pro Se  
Olympia, Washington

**CASE INFORMATION**

Statement of Claim filed: January 25, 2005

Claimant's Uniform Submission Agreement signed: January 19, 2005

Statement of Answer filed by Respondent Bruce W. Korus: March 18, 2005

Respondent Bruce W. Korus' Uniform Submission Agreement signed: March 18, 2005

**CASE SUMMARY**

Claimant alleged breach of contract. Claimant's allegation involves breach of the terms of a promissory note/forgivable loan agreement by Respondent.

Respondent denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and submitted a letter of information explaining why he believes that he cannot pay the amount due pursuant to the terms of the promissory note/forgivable loan agreement.

**RELIEF REQUESTED**

Claimant requested \$64,411.40 in compensatory damages, pre-judgment interest at a rate of 10%, post-judgment interest at the highest legal rate, and costs, including attorney's fees.

Respondent, in his letter of information, requested that his obligation under the promissory note/forgivable loan agreement be forgiven.

**OTHER ISSUES CONSIDERED AND DECIDED**

On July 13, 2005, Respondent filed a Briefing Letter. On July 19, 2005, Claimant filed an Objection to Respondent's Briefing Letter. On July 27, 2005, the Panel ruled that it would consider the matters raised in Respondent's Briefing Letter in deciding the outcome of this arbitration proceeding.

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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent Bruce W. Korus is liable to and shall pay Claimant Citigroup Global Markets Inc. the sum of \$64,411.40 in compensatory damages.
- 2) Respondent Bruce W. Korus is liable to and shall pay Claimant Citigroup Global Markets Inc. the sum of \$500.00 as reimbursement for half of Claimant's filing fees.
- 3) Respondent Bruce W. Korus is liable to and shall pay Claimant Citigroup Global Markets Inc. the sum of \$2,511.13 in attorney's fees, pursuant to Revised Code of Washington section 9A.72.085.
- 4) Respondent Bruce W. Korus is liable to and shall pay Claimant Citigroup Global Markets Inc. the sum of \$2,654.52 as reimbursement for photocopying charges, legal messenger services, and long distance telephone bills.
- 5) Respondent Bruce W. Korus is liable to and shall pay Claimant Citigroup Global Markets Inc. interest at the rate of 10% per annum on \$64,411.40 from October 4, 2004 until the date that payment of this Award is made in full.
- 6) With the exception of paragraphs 2, 3, and 4, the parties shall bear their respective costs, including attorney's fees.
- 7) All other relief requested and not expressly granted is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 1,000.00
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#### **Member Fees**

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Citigroup Global Markets Inc. is a party, and the following fees are assessed:

Member Surcharge	= \$1,100.00
Pre-Hearing Process Fee	= \$ 750.00.
<u>Hearing Process Fee</u>	<u>= \$1,700.00</u>
<b>Total Member Fees</b>	<b>= \$3,550.00</b>

#### **Forum Fees and Assessments**

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

One (1) pre-hearing conference session with the Panel @ \$750.00/session	= \$ 750.00
Pre-hearing conference: May 25, 2005 1 session	
Two (2) hearing sessions @ \$750.00/session	= \$1,500.00
Hearings: July 27, 2005 2 sessions	
<b>Total Forum Fees</b>	<b>= \$2,250.00</b>

The Panel assessed \$2,250.00 of the forum fees to Respondent Bruce W. Korus.

**Fee Summary**

1. Claimant Citigroup Global Markets Inc. is charged with the following fees and costs:

Initial Filing Fee	= \$ 1,000.00
<u>Member Fees</u>	= \$ 3,550.00
Total Fees	= \$ 4,550.00
<u>Less payments</u>	= \$(5,300.00)
<b>Refund Due Claimant</b>	<b>= \$ (750.00)</b>

2. Respondent Bruce W. Korus is charged with the following fees and costs:

Forum Fees	= \$ 2,250.00
<u>Less payments</u>	= \$ (0.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 2,250.00</b>

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

NASD Dispute Resolution  
Arbitration No. 05-00402  
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**ARBITRATION PANEL**

<b>Bonny Kathleen Riggs</b>	-	<b>Non-Public Arbitrator, Presiding Chair</b>
<b>Paul A. Maffeo</b>	-	<b>Non-Public Arbitrator</b>
<b>Richard Lawrence Hinton</b>	-	<b>Non-Public Arbitrator</b>

**Concurring Arbitrators' Signatures**

  
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Bonny Kathleen Riggs  
Chair, Non-Public Arbitrator

7-28-05  
Signature Date

\_\_\_\_\_  
Paul A. Maffeo  
Non-Public Arbitrator

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

\_\_\_\_\_  
Richard Lawrence Hinton  
Non-Public Arbitrator

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

7/28/05  
Date of Service

ARBITRATION PANEL

Bonny Kathleen Riggs  
Paul A. Maffeo  
Richard Lawrence Hinton

- Non-Public Arbitrator, Presiding Chair  
- Non-Public Arbitrator  
- Non-Public Arbitrator

Concurring Arbitrators' Signatures

Bonny Kathleen Riggs  
Chair, Non-Public Arbitrator

Signature Date

Paul A. Maffeo  
Paul A. Maffeo  
Non-Public Arbitrator

July 28 2005  
Signature Date

Richard Lawrence Hinton  
Non-Public Arbitrator

Signature Date

7/28/05  
Date of Service

ARBITRATION PANEL

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<i>Paul A. Maffeo</i>	-	<i>Non-Public Arbitrator</i>
<i>Richard Lawrence Hinton</i>	-	<i>Non-Public Arbitrator</i>

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Paul A. Maffeo  
Non-Public Arbitrator

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

*Richard Lawrence Hinton*  
\_\_\_\_\_  
Richard Lawrence Hinton  
Non-Public Arbitrator

*7/28/05*  
\_\_\_\_\_  
Signature Date

*7/28/05*  
\_\_\_\_\_  
Date of Service