

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Citigroup Global Markets Inc., Claimant v. John Paul La Belle, Respondent

Case Number: 05-04937

Hearing Site: Seattle, Washington

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:

Jean Paul La Belle
Pro Se
Seattle, Washington

CASE INFORMATION

Statement of Claim filed: September 19, 2005

Claimant's Uniform Submission Agreement signed: August 18, 2005

CASE SUMMARY

Claimant asserted a claim for breach of contract in connection with Respondent's alleged non-compliance with the terms of a promissory note/forgiveable loan agreement that he entered into with Claimant.

RELIEF REQUESTED

Claimant requested \$43,754.12 in compensatory damages, pre-judgment interest at a rate of 10% per annum, post-judgment interest at the highest legal rate, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Jean Paul La Belle did not file with NASD Dispute Resolution a properly executed submission agreement, but he is required to submit to arbitration pursuant to NASD's Code of Arbitration Procedure, and he is bound by the determination of the arbitrator on all issues submitted.

On September 22, 2005, NASD sent Respondent Jean Paul La Belle a copy of the Statement of Claim that had been filed in this matter as well as a letter notifying him of his November 11, 2005 Answer due date (hereinafter "service letter"). These documents were sent to Respondent at his last known CRD address -- 1221 First Avenue, #325, Seattle, Washington 98101 -- via certified mail, return receipt requested. On October 25, 2005, NASD received the Statement of Claim and the service letter as returned mail with the notation from the US postal service that these documents were "unclaimed." On October 26, 2005, NASD re-sent a copy of the Statement of Claim and service letter to Mr. La Belle via first class mail. These documents were not returned to NASD by the US postal service.

On December 5, 2005, the parties were sent a list of arbitrators who might hear this matter and their corresponding disclosure reports. The parties were requested to rank in order of preference and/or strike the arbitrators on the list on or before December 27, 2005. Mr. La Belle's list and disclosure reports were sent to him via certified mail, return receipt requested and were returned to NASD on February 1, 2006 as "unclaimed."

On December 30, 2005, NASD sent a letter to the parties notifying them of the identity of the arbitrator who would hear their case as well as of the date and time of the initial pre-hearing conference in this matter. Respondent's letter was sent via certified mail, return receipt requested. On January 17, 2006, NASD received a return receipt card referencing this letter; the card had been signed by Pam Torres on January 10, 2006.

On January 30, 2006, an initial pre-hearing conference took place. The conference was attended by the arbitrator and Claimant's counsel; Respondent did not participate in the call. The arbitrator ordered Claimant's counsel to make another attempt at service on Respondent, to provide an affidavit documenting such an attempt at service, and to provide NASD with, and to utilize, any pertinent information regarding Respondent's whereabouts in attempting to effectuate service on him. The arbitrator ordered that another pre-hearing conference take place on March 2, 2006.

On February 9, 2006, Claimant sent Respondent:

- (a) a copy of a February 3, 2006 letter from NASD confirming the re-scheduled pre-hearing conference on March 2, 2006;
- (b) a copy of the December 30, 2005 letter from NASD;
- (c) a copy of the October 26, 2005 letter from NASD;
- (d) a copy of the September 22, 2005 service letter from NASD, Statement of Claim, and Claimant's Uniform Submission agreement, and a blank Uniform Submission Agreement for Respondent.

These documents were sent via certified mail, return receipt requested and by first class mail to Respondent's last known CRD address and to another address where Claimant had reason to believe that Respondent was residing—1221 First Avenue, #523, Seattle, Washington 98101. The documents that were sent via certified mail, return receipt requested were returned to

Claimant by the US postal service as "unclaimed." The documents that were sent via first class mail were not returned to Claimant by the US postal service.

On March 2, 2006, a pre-hearing conference took place that was attended by the arbitrator and by Claimant's counsel. Respondent did not participate. The arbitrator asked Claimant's counsel to provide a brief summary of the facts of the case and of the attempts at service on Respondent. Claimant's counsel did so, and the arbitrator then stated that she would rule on the matter. That same day, Claimant provided the arbitrator with a copy of its process server's Declaration of Diligence, which described the process server's attempts to serve Respondent personally in January 2006 and provided the alternate address for Respondent.

The arbitrator, having reviewed the procedural history of this case, determined that Respondent received due notice of the claims against him and was aware of the pre-hearing conferences that were scheduled in this matter. Accordingly, the arbitrator hereby issues the following Award, as set forth below.

AWARD

After considering the pleadings, the procedural history of the case, and oral argument from Claimant's counsel, the arbitrator decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent Jean Paul La Belle is liable to and shall pay Claimant Citigroup Global Markets Inc. the sum of \$43,754.12 in compensatory damages.
- 2) Respondent Jean Paul La Belle is liable to and shall pay Claimant Citigroup Global Markets Inc. interest in the amount of 10% per annum on \$43,754.12 from June 4, 2003 until payment of this Award is made in full.
- 3) Respondent Jean Paul La Belle is liable to and shall pay Claimant Citigroup Global Markets Inc. the sum of \$3,001.83 as reimbursement for filing costs, online research fees, photocopy charges, etc.
- 4) Respondent Jean Paul La Belle is liable to and shall pay Claimant Citigroup Global Markets Inc. the sum of \$5,160.60 in attorney's fees pursuant to the promissory note/forgivable loan agreement entered into by the parties.
- 5) 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 received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$1,000.00
--------------------------	--------------

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	= \$ 875.00
<u>Pre-Hearing Process Fee</u>	<u>= \$ 750.00</u>
Total Member Fees	= \$1,625.00

Forum Fees and Assessments

The arbitrator has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. The following forum fees are assessed:

Two (2) pre-hearing conference sessions with a single arbitrator @ \$450.00/session	= \$ 900.00
Pre-hearing conferences: January 30, 2006	1 session
March 2, 2006	1 session

Fee for deciding case on the papers:	= \$ 300.00
Total Forum Fees	= \$ 1,200.00

The arbitrator assessed \$1,200.00 of the forum fees to Respondent Jean Paul La Belle.

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>	<u>= \$ 1,625.00</u>
Total Fees	= \$ 2,625.00
<u>Less payments</u>	<u>= \$(3,075.00)</u>
Refund Due Claimant	= \$(450.00)

2. Respondent Jean Paul La Belle is charged with the following fees and costs:

Forum Fees	= \$ 1,200.00
<u>Less payments</u>	<u>= \$ (0.00)</u>
Balance Due NASD Dispute Resolution	= \$ 1,200.00

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. 05-04937
Award Page 5 of 5

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.

ARBITRATOR

Bonny Kathleen Riggs

Non-Public Arbitrator

Arbitrator's Signature


Bonny Kathleen Riggs
Non-Public Arbitrator

3-08-2006
Signature Date

3/8/06
Date of Service