

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

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In the Matter of the Arbitration Between:

Joseph T. Bubonic and Versailles LLC, Claimants v. Citigroup Global Markets Inc.  
f/k/a Salomon Smith Barney Inc. and Robert J. Klein, Respondents

Case Number: 05-06676

Hearing Site: Los Angeles, California

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Nature of the Dispute: Customers v. Member and Associated Person

**REPRESENTATION OF PARTIES**

For Claimants Joseph T. Bubonic  
and Versailles LLC:

Jeff Dennis Ferentz, Esq.  
Nationwide Securities Arbitration Services, Inc.  
Newport Beach, California

For Respondents Citigroup Global  
Markets Inc. f/k/a Salomon Smith  
Barney Inc. ("Citigroup Global Markets  
Inc.") and Robert J. Klein:

Hugo A. Hilgendorff, IV, Esq.  
Citigroup Global Markets Inc.  
New York, New York

**CASE INFORMATION**

Statement of Claim filed: December 28, 2005

Claimants' Joint Uniform Submission Agreement signed: December 25, 2005

Joint Statement of Answer filed by Respondents: March 10, 2006

Respondent Citigroup Global Markets Inc.'s Uniform Submission Agreement signed:  
March 9, 2006

**CASE SUMMARY**

Claimants alleged unsuitability, breach of contract, misrepresentations, omissions of fact, negligence, breach of fiduciary duty, failure to supervise, and violation of rules and

regulations of various exchanges. Claimants' claims involved various securities including, but not limited to, Broadcom, Citrix Systems, EMC, Exodus Communications, Oracle, Siebel Systems, Veritas Software, Apple Computer, Dell Computer, and Worldcom.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimants requested \$322,588.00 in compensatory damages, \$42,361.00 in disgorgement of fees, unspecified punitive damages, pre- and post-judgment interest, and costs, including attorney's fees.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety, assessment of costs against Claimants, and expungement of this matter from Respondent Robert J. Klein's CRD records.

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

Respondent Robert J. Klein did not file with NASD Dispute Resolution a properly executed 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.

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) Claimants' claims are denied in their entirety.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All other relief requested and not expressly granted, including Respondent Robert J.

Klein's request for expungement of this matter from his CRD record, 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	= \$ 300.00
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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	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 2,750.00</u>
<b>Total Member Fees</b>	<b>= \$ 5,200.00</b>

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

The Panel 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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing conference session with a single arbitrator @ \$450.00/session	= \$ 450.00
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Pre-Hearing conference: June 1, 2006	1 session
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1 Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$ 1,125.00
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Pre-hearing conference: May 15, 2006	1 session
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6 Hearing sessions @ \$1,125.00/session	= \$ 6,750.00
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Hearings:	July 11, 2006	2 sessions
	July 12, 2006	2 sessions
	July 13, 2006	2 sessions

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<b>Total Forum Fees</b>	<b>= \$ 8,325.00</b>
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1. The Panel assessed \$4,162.50 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$4,162.50 of the forum fees jointly and severally to Respondents.

### Administrative Costs

**Administrative costs** are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

**Respondents requested 60 photocopies@ \$0.50:**                =\$     30.00

## Fee Summary

- 1. Claimants are charged jointly and severally with the following fees and costs:**

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$ 4,162.50
Total Fees	= \$ 4,462.50
<u>Less payments</u>	=(1,425.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 3,037.50</b>

2. Respondent Citigroup Global Markets Inc. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Less payments	=(5,200.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>

- 3. Respondents are charged jointly and severally with the following fees and costs:**

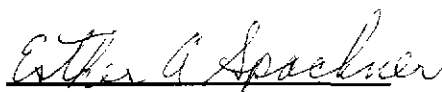
Forum Fees	= \$ 4,162.50
<u>Administrative Costs</u>	= \$ 30.00
Total Fees	= \$ 4,192.50
<u>Less payments</u>	= \$ (0.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 4,192.50</b>

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

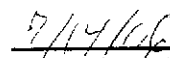
**ARBITRATION PANEL**

Esther A. Spachner	-	Public Arbitrator, Presiding Chair
R. Maurice Robinson	-	Public Arbitrator
Karen A. Lockwood	-	Non-Public Arbitrator

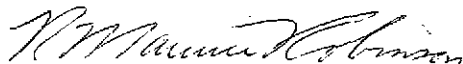
**Concurring Arbitrators' Signatures**



Esther A. Spachner  
Chair, Public Arbitrator



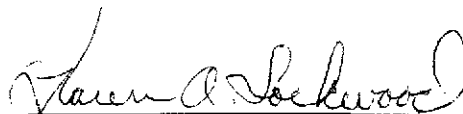
Signature Date



R. Maurice Robinson  
Public Arbitrator




Signature Date



Karen A. Lockwood  
Non-Public Arbitrator



Signature Date

  
Date of Service