

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

Citigroup Global Markets, Inc.

vs.

Case Number: 06-03428
Hearing Site: Chicago, Illinois

Name of Respondent

R. Thomas Loftin, III

NATURE OF THE DISPUTE

Member vs. Associated Person

REPRESENTATION OF PARTIES

Citigroup Global Markets, Inc. ("Claimant") was represented by Christopher J. Carney, Esq., Brouse McDowell, LPA, Cleveland, Ohio.

R. Thomas Loftin, III ("Respondent") did not make an appearance.

CASE INFORMATION

The Statement of Claim was filed on or about July 24, 2006. The Submission Agreement of Claimant was signed on or about July 17, 2006.

CASE SUMMARY

Claimant asserted the following cause of action: breach of promissory note. The cause of action related to Claimant's allegation that Respondent signed a promissory note (the "Note") for \$372,856.00 while employed with Claimant. Claimant further alleged that upon termination of Respondent's employment with Claimant, the outstanding balance on the Note became due and payable.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$ 266,325.75
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned Panel determined that Respondent, R. Thomas Loftin, III, has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent, R. Thomas Loftin, III, present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent, R. Thomas Loftin, III, did not file with the NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

The Claimant has 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 testimony, the evidence presented at the hearing and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Respondent, R. Thomas Loftin, III, is liable for and shall pay to Claimant, Citigroup Global Markets, Inc., the sum of \$266,325.75 in compensatory damages pursuant to the terms of the promissory note;
- 2.) Respondent, R. Thomas Loftin, III, is liable for and shall pay to Claimant, Citigroup Global Markets, Inc., interest on the above-stated sum at the rate of 6% per annum from and including September 9, 2005 through and including the date this Award is paid in full pursuant to paragraph 4 of the promissory note;
- 3.) Respondent, R. Thomas Loftin, III, is liable for and shall pay to Claimant, Citigroup Global Markets, Inc., the sum of \$256.15 in costs pursuant to paragraph 6 of the promissory note;
- 4.) Respondent, R. Thomas Loftin, III, is liable for and shall pay to Claimant,

Citigroup Global Markets, Inc., the sum of \$5,362.00 in attorneys' fees pursuant to paragraph 6 of the promissory note; and

5.) Any relief not specifically enumerated is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial Claim filing fee = \$ 1,000.00

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 event giving rise to the dispute. In this matter, the member firm is Citigroup Global Markets, Inc.

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

Forum Fees and Assessments

The Panel has assessed forum fees for each hearing 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:

Three (3) Pre-hearing sessions with Panel x \$1,125.00	= \$ 3,375.00
Pre-hearing conferences: November 14, 2006	1 session
November 30, 2006	1 session
December 13, 2006	1 session

Two (2) Hearing sessions x \$1,125.00	= \$ 2,250.00
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Hearing Date: January 12, 2007	2 sessions
Total Forum Fees	= \$ 5,625.00

The Panel has assessed \$1,125.00 of the forum fees to Citigroup Global Markets, Inc.

The Panel has assessed \$4,500.00 of the forum fees to R. Thomas Loftin, III.

FEE SUMMARY

Claimant, Citigroup Global Markets, Inc., is liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 5,200.00
Forum Fees	= \$ 1,125.00
Total Fees	= \$ 7,325.00
Less payments	= \$ 4,575.00
Balance Due NASD Dispute Resolution	= \$ 2,750.00

Respondent, R. Thomas Loftin, III, is liable for:

Forum Fees	= \$ 4,500.00
Total Fees	= \$ 4,500.00
Less payments	= \$ 0.00
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

Howard B. Silverman - Non-Public Arbitrator, Presiding Chair
James M .Connors - Non-Public Arbitrator
David M. Fetter - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ Howard B. Silverman
Howard B. Silverman
Non-Public Arbitrator, Presiding Chair

January 25, 2007
Signature Date

James M .Connors
Non-Public Arbitrator

Signature Date

/s/ David M. Fetter
David M. Fetter
Non-Public Arbitrator

January 25, 2007
Signature Date

January 26, 2007
Date of Service (For NASD office use only)

ARBITRATION PANEL

Howard B. Silverman - Non-Public Arbitrator, Presiding Chair
James M. Connors - Non-Public Arbitrator
David M. Fetter - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Howard B. Silverman
Howard B. Silverman
Non-Public Arbitrator, Presiding Chair

1/25/2007
Signature Date

James M. Connors
Non-Public Arbitrator

Signature Date

David M. Fetter
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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James M. Connors - Non-Public Arbitrator
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Non-Public Arbitrator, Presiding Chair

Signature Date

James M. Connors
Non-Public Arbitrator

Signature Date

David M. Fetter
David M. Fetter
Non-Public Arbitrator

1/25/07
Signature Date

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Non-Public Arbitrator, Presiding Chair

Signature Date



James M. Connors
Non-Public Arbitrator



Signature Date

David M. Fetter
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)