

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. (Claimant) vs. Joseph C. Delaura (Respondent)

Case Number: 08-00123

Hearing Site: Newark, New Jersey

consolidated with

Joseph C. Delaura (Claimant) vs. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. (Respondent)

Case Number: 08-00344

Hearing Site: Newark, New Jersey

Nature of the Dispute:

08-00123: Member vs. Associated Person.

08-00344: Associated Person vs. Member.

REPRESENTATION OF PARTIES

08-00123

Claimant Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., hereinafter referred to as "Citigroup": J. Michael Riordan, Esq., and Erin Rowin, Esq., McElroy, Deutsch, Mulvaney & Carpenter, LLP, Morristown, NJ. Previously represented by J. Michael Riordan, Esq., and John D. Miller, III, Esq., McElroy Deutsch, Mulvaney & Carpenter LLP, Morristown, NJ, and Kenneth O'Connor, Esq., Lubiner & Schmidt, Cranford, NJ. Previously represented by J. Michael Riordan, Esq., and John D. Miller, III, Esq., Greenberg Traurig, Florham Park, NJ, and Kenneth O'Connor, Esq., Lubiner & Schmidt, Cranford, NJ. Previously represented by Kenneth O'Connor, Esq., Lubiner & Schmidt, Cranford, NJ.

Respondent Joseph C. Delaura hereinafter referred to as "Delaura": Barry R. Lax, Esq., Lax & Neville LLP, New York, NY.

08-00344

Claimant Joseph C. Delaura hereinafter referred to as "Delaura": Barry R. Lax, Esq., Lax & Neville LLP, New York, NY.

Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., hereinafter referred to as "Citigroup": Kenneth O'Connor, Esq., Lubiner & Schmidt, Cranford, NJ.

CASE INFORMATION

08-00123

Statement of Claim filed on or about: January 15, 2008.

Reply to Counterclaim filed on or about: March 26, 2008.

Citigroup signed the Uniform Submission Agreement: December 3, 2007.

Statement of Answer and Counterclaim filed by Delaura on or about: February 7, 2008.

Delaura did not submit a Uniform Submission Agreement.

08-00344

Statement of Claim filed on or about: February 7, 2008.

Delaura signed the Uniform Submission Agreement: February 6, 2008.

Citigroup did not submit a Statement of Answer or Uniform Submission Agreement.

CASE SUMMARY

Citigroup asserted the following causes of action: breach of employment contract and failure to repay money owed pursuant to a Promissory Note.

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

In his Counterclaim, Delaura asserted the following causes of action: wrongful termination, abuse of the Form U5, defamation, slander & libel, tortious interference with business relationships, breach of contract, and breach of industry standards/standards of commercial honor and principles of trade.

Unless specifically admitted in its Answer, Citigroup denied the allegations made in the Counterclaim and asserted various affirmative defenses.

RELIEF REQUESTED

Citigroup requested compensatory damages in the amount of \$120,102.88, plus interest at the rate of prime plus 6% per annum from October 19, 2007 until paid in full, costs, filing fees, attorneys' fees, and any other relief the Panel feels is just and proper.

Delaura requested dismissal of the Statement of Claim in its entirety.

In his Counterclaim, Delaura requested Citigroup file an amended Form U5 Termination Notice, expungement of the previous Form U5 Termination Notice from the records of the Financial Industry Regulatory Authority, unspecified compensatory damages, interest, costs, attorneys' fees, and such other and further relief as the Panel deems just and equitable.

Citigroup requested dismissal of the Counterclaim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On or about March 5, 2008, Citigroup filed a Motion to Consolidate Case Numbers 08-00123 and 08-00344. By correspondence dated March 26, 2008, FINRA Dispute Resolution granted Citigroup's Motion.

By correspondence dated March 5, 2008, the parties agreed to consider the Statement of Claim in FINRA Case number 08-00344 as a Statement of Answer and Counterclaim in FINRA Case number 08-00123.

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

1. Delaura is liable for and shall pay to Citigroup compensatory damages in the amount of \$120,102.88, plus interest on the Award at the rate of 9% per annum from December 28, 2007 until the Award is paid in full.
2. The Panel recommends that the information contained in the Termination Comment from Section 3 of John C. Delaura's Form U5, filed by Citigroup on October 29, 2007, be expunged from Mr. Delaura's registration records maintained by the Central Registration Depository ("CRD") based on the defamatory nature of this information. The Panel determined that Mr. Delaura was properly terminated; but that the Form U5 termination language contained a misleading conclusion that could be interpreted by a reasonable person as defamatory. The Panel recommends that the language in the Termination Comment be replaced to read as follows: "RA was terminated for failing to follow firm policies". The reason for termination, "Permitted to Resign", should remain the same.

The Form U5 is not automatically amended to include the changes indicated above. Claimant must forward a copy of this Award to FINRA's Registration and Disclosure Department for the amendments to be incorporated into the Form U5.

3. Delaura's Counterclaims are denied in their entirety.
4. Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution assessed a filing fee* for each claim:

08-00123
Initial claim filing fee = \$ 2,125.00

08-00344
Initial claim filing fee = \$ 1,250.00

** The filing fee is made up of a non-refundable and a refundable portion.*

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 events giving rise to the dispute. Accordingly, as a party, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., is assessed the following:

08-00123
Member surcharge = \$ 1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 2,750.00

08-00344
Member surcharge = \$ 1,500.00

Hearing Session Fees and Assessments

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

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: February 4, 2009 1 session

One (1) Pre-hearing session with Panel @ \$1,125.00 = \$ 1,125.00
Pre-hearing conference: July 1, 2008 1 session

Ten (10) Hearing sessions @ \$1,125.00 = \$11,250.00
Hearing dates: March 17, 2009 2 sessions
March 18, 2009 2 sessions
March 19, 2009 2 sessions
March 20, 2009 2 sessions
March 24, 2008 2 sessions

Total Hearing Session Fees = \$12,825.00

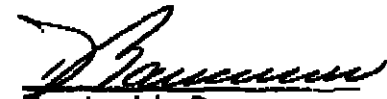
1. The Panel has assessed \$6,412.50 of the hearing session fees to Citigroup.
2. The Panel has assessed \$6,412.50 of the hearing session fees to Delaura.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

Douglas John Baumann - Public Arbitrator, Presiding Chairperson
Norman Kass - Public Arbitrator
Robert Alan Mayer - Non-Public Arbitrator

Concurring Arbitrators' Signatures



Douglas John Baumann
Public Arbitrator, Presiding Chairperson

4-13-09
Signature Date

Norman Kass
Public Arbitrator

Signature Date

Robert Alan Mayer
Non-Public Arbitrator

Signature Date

April 16, 2009

Date of Service (For FINRA Dispute Resolution use only)

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Public Arbitrator, Presiding Chairperson

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Non-Public Arbitrator

4/13/09

Signature Date

April 16, 2009

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