

**Stipulated Award
NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

David A. Guydish, Claimant v. Citigroup Global Markets, Inc. (also known as Salomon Smith Barney, Inc.), William David Hobby and Jack B. Grubman, Respondents

Case Number: 02-06189

Hearing Site: San Francisco, California

Nature of the Dispute: Customer vs. Member and Associated Persons

REPRESENTATION OF PARTIES

For Claimant:

Adam S. Doner, Esq.
Gordon & Doner, P.A.
Palm Beach Gardens, Florida

Michael B. Lynch, Esq.
Hooper & Weiss, LLC
Orlando, Florida

For Respondents Salomon Smith Barney, Inc.
and Jack B. Grubman:

Brett A. Rogers, Esq.
Raj M. Nichani, Esq.
Rogers & Hardin LLP
Atlanta, Georgia

For Respondent William David Hobby:

William G. Leonard, Esq.
Leonard & Swenson, LLP
Atlanta, Georgia

CASE INFORMATION

Statement of Claim filed: October 15, 2002

Claimant's Uniform Submission Agreement signed: October 14, 2002

Joint Statement of Answer filed by Respondents Salomon Smith Barney, Inc., also known as Citigroup Global Markets, Inc. ("Smith Barney") and Jack B. Grubman: January 10, 2003

Statement of Answer and Motion to Dismiss filed by Respondent William David Hobby: January 10, 2003

Respondent Smith Barney's Uniform Submission Agreement signed: January 9, 2003

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract; breach of fiduciary duty; violation of Section 10(b) of the Securities Exchange Act; violation of Rule 10b-5; common law fraud; violation of SRO Conduct Rules; negligence; and, failure to supervise. The causes of action relate to Claimant's WCOM employee stock options.

Unless specifically admitted in their Answers, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

The arbitration hearings in this matter were commenced on August 11, 2004 and were scheduled to continue through August 14, 2004. On August 12, 2004, counsel for the parties advised the Panel that the parties had agreed to the entry of a stipulated arbitration award to resolve all claims and issues in this matter by providing for the dismissal, with prejudice, of all claims asserted by Claimant and for Respondents' withdrawal of their claims for attorneys' fees and costs of litigation. The Panel agreed to enter an award based on the parties' stipulation and the hearings were concluded at that point.

RELIEF REQUESTED

Claimant requested:

1. Compensatory damages in the amount of \$653,000.00;
2. Punitive damages;
3. Interest;
4. Costs;
5. Attorney's fees; and
6. Such other and further relief that is deemed just and proper.

Respondents requested dismissal of the Statement of Claim, attorneys' fees, and costs of their defenses.

OTHER ISSUES CONSIDERED AND DECIDED

On November 11, 2002, Claimant and Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators. Pursuant to the Code of Arbitration Procedure IM-10100 the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

Respondents Jack B. Grubman and William David Hobby did not file with NASD Dispute Resolution ("NASD-DR") properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the NASD-DR Code of Arbitration Procedure ("the Code") and, having answered the Claim are bound by the determination of the Panel on all issues submitted.

Claimant voluntarily dismissed his claims against Respondent Hobby with prejudice on June 16, 2004.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings and the parties' request for this Stipulated Award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. The Panel hereby enters its award, based on the parties' stipulation, in full and final resolution of all claims and issues in this matter.
2. All claims asserted by Claimant are hereby dismissed with prejudice.
3. The Panel recommends the expungement of all references to the above-captioned arbitration from Respondents William David Hobby's and Jack B. Grubman's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondents William David Hobby and Jack B. Grubman must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
4. The NASD does not need to be named as a party in the court confirmation process of expungement regarding Hobby or Grubman's CRD.
5. Any and all claims for relief not specifically addressed herein, including Respondents' claims for attorneys' fees and costs, are dismissed.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$375.00
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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, Smith Barney is a party and the following fees are assessed:

Member Surcharge	= \$2,250.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$4,000.00</u>
Total Member Fees	= \$7,000.00

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/Panel. The following fees are assessed:

(1) Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$1,200.00
Pre-hearing conference: October 13, 2003 1 session	
(3) Hearing sessions @ \$1,200.00/session	= \$3,600.00
Hearings: August 11, 2004 2 sessions	
August 12, 2004 1 session	
<hr/> Total Forum Fees	<hr/> = \$4,800.00

The Panel assessed \$2,400.00 in forum fees to Claimant.

The Panel assessed \$2,400.00 in forum fees to Respondent Smith Barney.

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	<u>= \$ 2,400.00</u>
Total Fees	= \$ 2,775.00
<u>Less Payments</u>	<u>= \$(1,575.00)</u>
Balance Due NASD-DR	= \$ 1,200.00

2. Respondent Smith Barney is charged with the following fees and costs:


Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	<u>= \$ 2,400.00</u>
Total Fees	= \$ 9,400.00
<u>Less Payments</u>	<u>= \$(7,000.00)</u>
Balance Due NASD-DR	= \$ 2,400.00

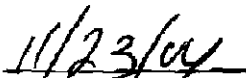
All balances are payable to NASD Dispute Resolution and are payable upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Paul M. Foster, Esq.	-	Non-Public Arbitrator, Presiding Chair
John J. George, Esq.	-	Public Arbitrator
Joseph Freitas, Jr., Esq.	-	Public Arbitrator

Concurring Arbitrators' Signatures


Paul M. Foster, Esq.
Chair, Non-Public Arbitrator


Signature Date

John J. George, Esq.
Public Arbitrator

Signature Date

Joseph Freitas, Jr., Esq.
Public Arbitrator

Signature Date


Date of Service

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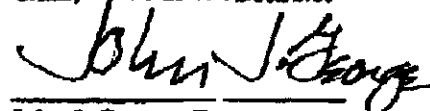
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Signature Date



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Public Arbitrator

Signature Date

Joseph Freitas, Jr., Esq.
Public Arbitrator

Signature Date

12/8/04
Date of Service

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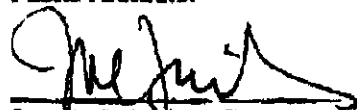
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