

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Richard L. and Florence Law, Richard L. Law IRA, and Richard L. Law SEP IRA (Claimants) v.
Prudential Equity Group, LLC f/k/a Prudential Securities, Inc., Richard Dorfman, Citigroup
Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., and Jack Grubman (Respondents)

Case Number: 02-06905

Hearing Site: New York, New York

Nature of the Dispute: Customers vs. Members and Associated Persons.

REPRESENTATION OF PARTIES

Claimants Richard L. and Florence Law ("the Laws"), Richard L. Law IRA ("Law IRA"), and
Richard L. Law SEP IRA ("Law SEP IRA") hereinafter collectively referred to as "Claimants":
John T. McGuire, Esq., John T. McGuire and Associates, P.C., New York, NY.

Respondents Prudential Equity Group, LLC f/k/a Prudential Securities, Inc. ("Prudential") and
Richard Dorfman ("Dorfman"): Brian F. McDonough, Esq., Drinker Biddle & Reath, LLP, New
York, NY.

Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and
Jack Grubman ("Grubman"): Brian F. Amery, Esq., previously Denise S. Mulvihill, Esq.,
Bressler, Amery & Ross, P.C., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: November 13, 2002.

Amended Statement of Claim filed on or about: April 23, 2003.

Claimants signed the Uniform Submission Agreement: November 12, 2002.

Joint Statement of Answer filed by Respondents Prudential and Dorfman on or about: February
28, 2003.

Respondents' Letter in Response to Claimants' Amended Statement of Claim filed on or about:
May 16, 2003.

Respondent Prudential signed the Uniform Submission Agreement: April 15, 2003.

Respondent Dorfman signed the Uniform Submission Agreement: February 20, 2003.

Joint Statement of Answer to Claimants' Amended Statement of Claim filed by Respondents
Citigroup and Grubman on or about: June 7, 2004.

Respondent Citigroup did not sign the Uniform Submission Agreement.
Respondent Grubman did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: fraud; manipulation; securities fraud; breach of fiduciary duty; negligence; breach of contract; and failure to supervise. The causes of action relate to shares of Worldcom stock.

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

Unless specifically admitted in their Answer, Respondents Citigroup and Grubman denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$1.5 million; punitive damages; interest; attorneys' fees; costs; and any other damages the Panel may deem just and fair.

Respondents Prudential and Dorfman requested that the claim be denied in its entirety and that the Panel order this claim expunged from the CRD records of Respondent Dorfman.

Respondents Citigroup and Grubman requested that the claim be dismissed with prejudice; and attorneys' fees and costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Citigroup and Grubman did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

On or about February 17, 2005, Claimants dismissed Respondents Citigroup and Grubman.

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, and 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. Claimants' claims are denied in their entirety.

2. Any and all relief not specifically addressed herein, including punitive damages, is denied.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Richard Dorfman's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Richard Dorfman must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:
Initial claim filing fee = \$500.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Prudential Equity Group, LLC f/k/a Prudential Securities, Inc. and Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. are parties.

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. 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:

One (1) Pre-hearing session with Panel @ \$1,200.00	= \$ 1,200.00
Pre-hearing conference: July 21, 2004 1 session	

Six (6) Hearing sessions @ \$1,200.00	= \$ 7,200.00
Hearing Dates: April 28, 2005 2 sessions	
April 29, 2005 2 sessions	
May 5, 2005 2 sessions	

Total Forum Fees	= \$ 8,400.00
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1. The Panel has assessed \$4,200.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$4,200.00 of the forum fees jointly and severally against Respondents Prudential and Dorfman.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	= \$ 4,200.00
Total Fees	= \$ 4,700.00
<u>Less payments</u>	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 2,900.00

2. Respondent Prudential is solely liable for:

<u>Member Fees</u>	= \$ 8,550.00
Total Fees	= \$ 8,550.00
<u>Less payments</u>	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$ 8,550.00
Total Fees	= \$ 8,550.00
<u>Less payments</u>	= \$ 9,300.00
Refund Due Citigroup	= \$ 750.00

4. Respondents Prudential and Dorfman are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 4,200.00
Total Fees	= \$ 4,200.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 4,200.00

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

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ARBITRATION PANEL

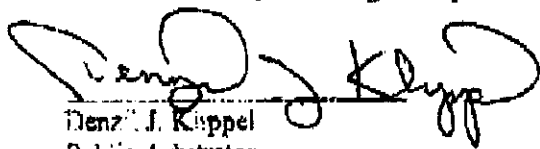
Leah G. Rabinowitz	-	Public Arbitrator, Presiding Chairperson
Denzil J. Klippel	-	Public Arbitrator
Joseph N. Stincman	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Leah G. Rabinowitz
Public Arbitrator, Presiding Chairperson

Signature Date



Denzil J. Klippel
Public Arbitrator

5/07/2005

Signature Date

Joseph N. Stincman
Non-Public Arbitrator

Signature Date

May 10, 2005
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Leah G. Rabinowitz	-	Public Arbitrator, Presiding Chairperson
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Public Arbitrator, Presiding Chairperson

Signature Date

Denzil J. Klippel
Public Arbitrator

Signature Date



Joseph N. Stineman
Non-Public Arbitrator

5/9/2005

Signature Date

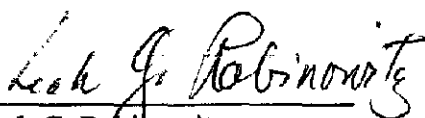
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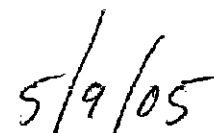
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Leah G. Rabinowitz
Public Arbitrator, Presiding Chairperson



Signature Date

Denzil J. Klippel
Public Arbitrator

Signature Date

Joseph N. Stineman
Non-Public Arbitrator

Signature Date

May 10, 2005

Date of Service (For NASD Dispute Resolution use only)