

**NASD DISPUTE RESOLUTION AWARD**  
**NASD DISPUTE RESOLUTION**  
**CASE: 03-00278**

Paul L. Sheiman IRA and Gail Sheiman IRA, Claimants v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and Jack B. Grubman, Respondents.

---

**ATTORNEYS:**

For Claimants, Paul L. Sheiman IRA and Gail Sheiman IRA, ("Claimants"), appeared James Richard Hooper, Esq., of the firm Hooper & Weiss, L.L.C., Orlando, FL.

For Respondents, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and Jack B. Grubman, ("Respondents"); appeared Bradford D. Kaufman, Esq., of the firm Greenberg Traurig, P.A., West Palm Beach, FL.

---

**NATURE OF DISPUTE:** Customers v. Member and Associated Person

---

**DATE FILED:** January 13, 2003

---

**CASE SUMMARY:** Claimants alleged that Respondents violated each of the following: Section 17(a) of the Securities Act of 1933, Chapter 517.301 of the Florida Securities and Investor Protection Act, NASD Rule 2210(d)(1), and New York Stock Exchange Rule 202.02. Claimants further alleged that Respondents breached their fiduciary duty, and omitted to state material facts in connection with the offer and sale of WorldCom stock. Claimants additionally alleged that Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. is liable for the unlawful and negligent acts of its representative, Respondent Jack B. Grubman. Claimants maintained that due to Respondents' actions, their IRAs suffered financial losses.

---

**ARBITRATOR'S REPORT:** Research analysts in preparing their model for their opinions are primarily based on the financial information received from the company. Most of the leading firms during this period had similar opinions as Citigroup. However, with this information being a massive fraud by WorldCom, all the recommendations in turn were not accurate. The research people could not be at fault. The culprit was WorldCom, not Citigroup.

---

**Claim Data**

Claim: \$15,714.18  
Punitive: Unspecified  
Interest: Unspecified  
Attorney Fees: Unspecified  
Filing Fees: Unspecified  
Other: Unspecified

---

**Award Data**

Award: \$.00  
Punitive: \$.00  
Interest: \$.00  
Attorney Fees: \$.00  
Filing Fees: \$212.50  
Other: \$.00

---

Page Two  
Award 04-00278

---

AWARD: The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) The claims of the Claimants are dismissed in their entirety. 2) All requests for punitive damages are denied. 3) All requests for interest are denied. 4) All requests for attorney fees are denied. 5) All other relief requests are denied. 6) NASD Dispute Resolution shall retain the \$425.00 filing fee that the Claimants deposited previously. 7) Respondents are jointly and severally liable and shall pay to the Claimants \$212.50 as reimbursement of one-half of the filing fee.

---

OTHER FEES: Pursuant to Rule 10333 of the Code, Respondent Citigroup Global Markets, Inc f/k/a Salomon Smith Barney, Inc. has paid to NASD Dispute Resolution the \$425.00 Member Surcharge previously invoiced.

---

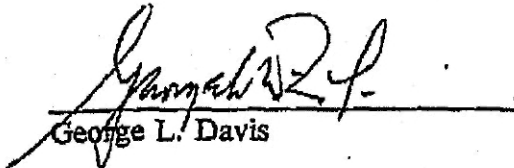
Page Three  
Award 04-00278

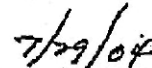
ARBITRATOR

George L. Davis - Sole Public Arbitrator

AFFIRMATION

I, George L. Davis, do hereby affirm, upon my oath as arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.

  
George L. Davis

  
Signature Date

August 11, 2004  
Date of Service (For NASD-DR office use only)