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**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of the Claimant

Thomas W. Eaton

Case Number: 03-00291

Names of the Respondents

Citigroup Global Markets, Inc., f/k/a  
Salomon Smith Barney, Inc.  
Jack B. Grubman

Hearing Site: Orlando, Florida

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

**REPRESENTATION OF PARTIES**

For Thomas W. Eaton, hereinafter referred to as "Claimant": Michael B. Lynch, Esq., Hooper & Weiss, LLC, Orlando, Florida.

For Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Jack B. Grubman ("Grubman"), hereinafter collectively referred to as "Respondents": Jennifer Tomsen, Esq., Greenberg Traurig, P.A., Orlando, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: January 13, 2003.

Claimant signed the Uniform Submission Agreement: January 29, 2003.

Statement of Answer filed by Respondents on or about: April 3, 2003.

Respondent Citigroup signed the Uniform Submission Agreement: March 27, 2003.

Respondent Grubman signed the Uniform Submission Agreement: March 31, 2003.

Amended Statement of Claim filed on or about: October 27, 2003.

Respondents' Answer to Amended Statement of Claim filed on or about: June 17, 2004.

Unopposed motion to proceed solely on the pleadings, and convert the case to a paper case ("Motion to Proceed on the Pleadings") filed by Claimant on or about: August 18, 2005.

**CASE SUMMARY**

Claimant asserted the following causes of action: omission to state material facts and conflicts of interest in violation of Section 17(a) of the Securities Act of 1933; omission to state material facts and conflicts of interest in violation of Chapter 517.301 of the Florida Securities and Investor Protection Act; omission to state material facts and conflicts of interest in violation of NASD Rule 2210(d)(1), Communications with the Public-General Standards; breach of fiduciary duty; and, respondeat superior. The causes of action relate to the Claimant's investment in WorldCom stock.

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

### **RELIEF REQUESTED**

Claimant requested rescissory damages in the amount of \$8,385.00, an unspecified amount of punitive damages, interest, costs, attorneys' fees and such other relief as deemed appropriate by the undersigned arbitrator (the "Arbitrator").

Respondents requested that Claimant's Statement of Claim, as amended, be denied in its entirety, and dismissed with prejudice, with attorneys' fees and costs assessed against Claimant.

### **OTHER ISSUES CONSIDERED AND DECIDED**

On or about December 24, 2003, Claimant filed a notice with NASD Dispute Resolution representing that Claimant had complied with the procedure for opting out of the class action filed in court, entitled In Re WorldCom Securities Litigation

On or about August 22, 2005, the Arbitrator issued an order which granted the Motion to Proceed on the Pleadings.

### **AWARD**

After considering the pleadings, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

Respondents are liable, jointly and severally, for a violation of Florida Statutes Chapter 517 and shall pay to Claimant compensatory damages in the sum of \$8,385.00 plus interest at the rate of 10% per annum accruing from January 1, 2000 to December 31, 2000, at the rate of 11% per annum from January 1, 2001 to December 31, 2001, at the rate of 9% per annum from January 1, 2002 to December 31, 2002, at the rate of 6% per annum from January 1, 2003 to December 31, 2003, at the rate of 7% per annum from January 1, 2004 to the date of payment of the Award. Interest shall be calculated from the date of purchase of each share of stock.

Respondents are liable, jointly and severally, and shall pay to Claimant attorneys' fees in an amount to be established by a court of competent jurisdiction in the circuit courts of the State of Florida pursuant to Florida Statutes §517.211.

Respondents are liable, jointly and severally, and shall pay to Claimant the sum of \$75.00 representing reimbursement of the claim filing fee previously paid by Claimant to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein, including Claimant's request for punitive damages, are denied.

**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 = \$ 75.00

**Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent Citigroup is a party and a member firm.

Member surcharge = \$325.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were assessed in this matter.

**Three-Day Cancellation Fees**

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

No three-day cancellation fees were assessed in this matter.

**Injunctive Relief Fees**

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Arbitrator.

No injunctive relief fees were assessed in this matter.

**Forum Fees and Assessments**

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

One (1) Pre-hearing session with a single Arbitrator @ \$250.00/session = \$250.00  
Pre-hearing conference: April 20, 2005 1 session

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Total Forum Fees = \$250.00

The Arbitrator has assessed the total forum fees of \$250.00 jointly and severally to Respondents.

**Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

**Fee Summary**

Claimant is solely liable for:

<u>Initial Filing Fee</u>	= \$ 75.00
<u>Total Fees</u>	= \$ 75.00
<u>Less payments</u>	= \$ 75.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$325.00
<u>Total Fees</u>	= \$325.00
<u>Less payments</u>	= \$325.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Paper Record Fee</u>	= \$250.00
<u>Forum Fees</u>	= \$250.00
<u>Total Fees</u>	= \$500.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$500.00

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

**ARBITRATOR**

Diana A. Weiner, Esq.

Public Arbitrator

**Arbitrator's Signature**

/s/

Diana A. Weiner, Esq.  
Public Arbitrator

Signature Date

December 5, 2005

Date of Service (For NASD Dispute Resolution use only)

Dec. 2. 2005 2:21PM

No. 0234 P. 5

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Arbitration No. 03-00291  
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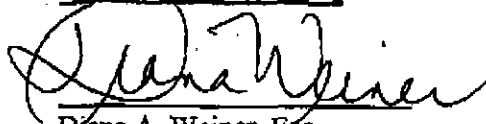
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**ARBITRATOR**

Diana A. Weiner, Esq.

Public Arbitrator

**Arbitrator's Signature**

Diana A. Weiner, Esq.  
Public Arbitrator

12-2-05  
Signature Date

Date of Service (For NASD Dispute Resolution use only)