

NASD DISPUTE RESOLUTION AWARD
NASD DISPUTE RESOLUTION

CASE: 03-00299

Gloria Costanzo IRA, Claimant vs. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and Jack B. Grubman, Respondents

ATTORNEYS:

For Claimant, Gloria Costanzo, ("Claimant"), 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: Customer v. Member and Associated Person.

DATE FILED: January 13, 2003.

CASE SUMMARY: Claimant, in her original Statement of Claim, brings this Action before NASD Dispute Resolution pursuant to the terms of a Customer Agreement entered into between the Claimant and the Respondent, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., on or about June 30, 1998. Claimant alleges that she was defrauded by the Respondents as a result of deliberate and willful fraudulent practices in issuing misleading research reports, failing to disclose material conflicts of interest, breaching their fiduciary duties, and denying the Claimant all benefits of independent and objective analysis and meaningful compliance and supervision. Claimant's Causes of Action are stated as: breach of contract; breach of fiduciary duty; violation of Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934; common law fraud; constructive fraud; violation of SRO Conduct Rules; violation of Florida Blue Sky Laws; negligence; failure to supervise; and violation of the doctrine *Respondent Superior*. Claimant's claim involved shares of MCI Worldcom, Inc.

In response to Claimant's original Statement of Claim, Respondents filed the pleading, Answer to Statement of Claim, denying liability of Respondents by alleging and offering an exhibit, as evidence, a copy of a Release, executed by Claimant, Gloria Costanzo, and one Michael J. Costanzo (husband of the Claimant) on February 25, 2000, in favor of Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc., its past and present predecessors and affiliates, officers, directors, agents, and employees. Respondents further alleged that Claimant's claim is barred as a matter of law. Respondents answered each and every claim in the original Statement of Claim and alleged affirmative and other additional defenses.

In response to Respondents' Answer to Statement of Claim, Claimant filed an Amended Statement of Claim. Respondents filed Respondents' Answer to Amended Statement of Claim. With each pleading, Exhibits were offered as evidence.

Claim Data

Rescissory Damages: \$8,430.00
Disgorgement and restitution of
earnings, profits, compensation, and
benefits: Unspecified
Punitive Damages: Unspecified
Interest: Unspecified
Attorney Fees: Unspecified
Costs: Unspecified
Other: Unspecified

Award Data

Rescissory Damages: \$.00
Disgorgement and restitution of
earnings, profits, compensation, and
benefits: \$.00
Punitive Damages: \$.00
Interest: \$.00
Attorney Fees: \$.00
Filing Fees: \$.00
Other: \$.00

AWARD: After reading the pleadings and exhibits offered as evidence, the undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) The claims of Claimant are denied and dismissed in their entirety. 2) Claimant's requests for rescissory damages are denied. 3) Claimant's requests for disgorgement and restitution of all earnings, profits, compensation, and benefits are denied. 4) All requests for punitive damages are denied. 5) All requests for interest are denied. 6) All requests for attorney fees are denied. 7) All other relief requests are denied. 8) NASD Dispute Resolution shall retain the \$325.00 filing fee that the Claimant deposited previously.

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 \$325.00 Member Surcharge previously invoiced.

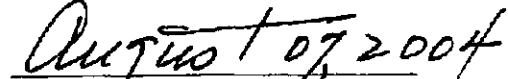
ARBITRATOR

Kenneth E. Merklen, Esq. - Sole Public Arbitrator

AFFIRMATION

I, Kenneth E. Merklen, 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.


Kenneth E. Merklen


Signature Date

September 7, 2004
Date of Service
(For NASD-DR Office use only)