

NASD DISPUTE RESOLUTION AWARD
NASD DISPUTE RESOLUTION
CASE: 03-00340

Vincent Mazzilli & Cheryl Pearson, Claimants v. Citigroup
Smith Barney, Inc. and Jack B. Grubman, Respondents.

ATTORNEYS:

For Claimants, Vincent Mazzilli & Cheryl Pearson, ("Hooper, Esq., Orlando, FL.

For Respondents, Citigroup Global Markets, Inc. f/k/a B. Grubman, ("Respondents"), appeared Bradford D. Ke

*Hi Felicia
Please replace the
first copy of the Award
we sent you with
this Award (with the
Exhibit attached).
Close 2.24 Thanks
Bm*

NATURE OF DISPUTE: Customers v. Member and Associated Person

DATE FILED: January 13, 2003

CASE SUMMARY: Claimant alleged that Respondents omitted material facts in connection with the offer and sale of WorldCom stock. Claimant alleged that Respondents violated Section 17(a) of the Securities Act of 1933, Chapter 517.301 of the Florida Securities and Investor Protection Act, and NASD Rule 2210(d)(1). Claimant further alleged that Respondents breached their fiduciary duty and that Citigroup Global Markets, Inc. is liable under the doctrine of respondeat superior.

OTHER ISSUES: On June 16, 2003, Claimant filed an Amended Statement of Claim.

ARBITRATOR'S REPORT: See attached exhibit

Claim Data

Claim: \$14,786.80
Punitive Damages: Unspecified
Interest: Unspecified
Attorney Fees: Unspecified
Filing Fees: Unspecified
Other: Unspecified

Award Data

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

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.

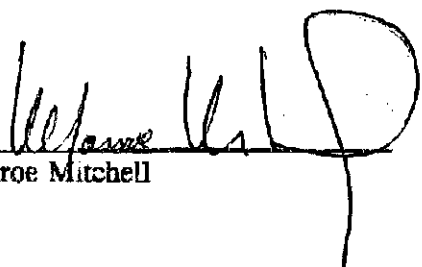
OTHER FEES: Pursuant to Rule 10333 of the Code, Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. has paid to NASD Dispute Resolution the \$425.00 Member Surcharge previously invoiced.

ARBITRATOR

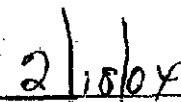
Monroe Mitchell - Sole Public Arbitrator

AFFIRMATION

I, Monroe Mitchell, 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.



Monroe Mitchell



Signature Date

February 24, 2004

Date of Service (For NASD-DR office use only)

NASD DISPUTE RESOLUTION, INC.

Date: 12/26/03

In the Matter of :

NASD Dispute Resolution Arbitration Number: 03-00340

Case Name: Vincent Mazzilli and Cheryl Pearson v. Jack B. Grubman & Salomon Smith Barney, Inc.

I have carefully reviewed Claimant's original Statement of Claim and the Amended Statement of Claim, with all submitted supporting documentation, as well as reviewing Respondent's Answer to Statement of Claim and Respondent's Supplement to Answer to Amended Statement of Claim, along with Respondent's supporting documentation.

Claimants Mazzilli and Pearson are apparently well-educated sophisticated investors who have been investing in the stock market for approximately 20 years. Their principal investment objective was to achieve high returns through aggressive growth investments. They apparently maintained several different accounts at SSB.

Because Claimant's were sophisticated investors, one must assume that they sought input from, and may have utilized, various sources including television commentaries (CNBC), The Wall Street Journal, magazine articles, family members, friends, co-workers, and/or other professionals before making their stock purchase decisions during the years 1999 and 2000, when the stock market was a popular topic of conversation in many circles.

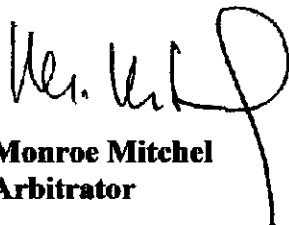
Claimants chose to only submit one page of their 13 page SSB May 2002 monthly statement listing their total stock holdings in their margin account at SSB. That one page reflects the fact that Claimants invested in other hot growth stocks including Tyco and Sun Microsystems. This would lead one to conclude that Claimants had an extensive portfolio of stocks and were willing to invest aggressively to achieve what they, and millions of others like them, hoped to accomplish through such actions.

According to the documents submitted for review, Claimant's purchased their shares of WorldCom stock in August and October 1999. On June 30, 2000 the stock was still trading at or close to Claimant's original cost per share. During that 8-10 month period following Claimant's purchase of WorldCom, there were various media and financial journal reports concerning WorldCom and other communications and technology stocks, that the Claimant's may have relied upon when deciding to purchase and/or retain their position in WorldCom.

In this case, it was incumbent upon the Claimants to prove that they relied upon Grubman and SSB's periodic analyst recommendations as their primary basis for purchasing and holding WorldCom stock.

Accordingly, I find no evidence, other than the Claimant's own affidavit, that they relied primarily on specific Grubman Analyst Reports, or on the SSB Buy ratings when purchasing and holding their shares of WorldCom stock. Consequently, the claim for rescissory damages in the amount of \$14,786.80 and additional punitive damages is denied.

It is so ordered this 26 day of December 2003.

A handwritten signature in black ink, appearing to read 'Monroe Mitchel', with a large, stylized loop at the end of the signature.

**Monroe Mitchel
Arbitrator**