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

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In the Matter of the Arbitration Between:

Name of the Claimant

Brian S. Smoly, individually  
Darlene M. Wohlfeil, individually  
Brian S. Smoly and Darlene M. Wohlfeil, as Co-Trustees

Case Number: 03-02705

Names of the Respondents

Citigroup Global Markets, Inc. f/k/a  
Salomon Smith Barney, Inc.  
Jack B. Grubman  
Charles Sawicki  
Joseph S. Jones, IV

Hearing Site: Boca Raton, Florida

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

**REPRESENTATION OF PARTIES**

For Brian S. Smoly, individually, Darlene M. Wohlfeil, individually, and Brian S. Smoly and Darlene M. Wohlfeil, as Co-Trustees, hereinafter collectively referred to as "Claimants": Eduardo Rodriguez, Esq., Hooper & Weiss, L.L.C., Orlando, Florida.

For Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup"), Jack B. Grubman ("Grubman"), Charles Sawicki ("Sawicki"), and Joseph S. Jones, IV ("Jones"), hereinafter collectively referred to as "Respondents": Neil B. Solomon, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: April 14, 2003.

Claimants signed the Uniform Submission Agreements: May 22, 2003.

Statement of Answer filed by Respondents on or about: July 14, 2003.

Respondent Citigroup signed the Uniform Submission Agreement: July 10, 2003.

Respondent Grubman signed but did not date the Uniform Submission Agreement.

Respondent Sawicki signed the Uniform Submission Agreement: July 10, 2003.

Respondent Jones signed the Uniform Submission Agreement: July 11, 2003.

**CASE SUMMARY**

Claimants asserted the following causes of action: unsuitability; breach of contract; breach of fiduciary duty; violation of Section 10(b) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 promulgated there under; common law fraud; constructive

fraud; violations of SRO rules, including but not limited to, NASD Conduct Rules 2110 (Standards of Commercial Honor and Principles of Trade), 2120 (Use of Manipulative, Deceptive or Other Fraudulent Devices, 2210 (Communications with the Public), 2130 (Recommendations to Customers – Suitability), and 3010 (Supervisory System); violations of Florida Blue Sky Laws, including but not limited to Sections 517.301 and 517.211; negligence; failure to supervise; and, respondeat superior. The causes of action relate to Claimants' investment in WorldCom stock.

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

### **RELIEF REQUESTED**

Claimants requested rescissory damages in the amount of \$106,997.26, an unspecified amount of punitive damages, pre and post judgment interest at the legal rate, costs, attorneys' fees and such other relief as deemed appropriate by the undersigned arbitration panel (the "Panel").

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

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

On or about October 27, 2004, Claimants notified NASD Dispute Resolution ("NASD") that the parties had settled this matter. Thereafter, on or about December 6, 2004, NASD closed the file in this matter.

On or about July 14, 2005, the parties filed with NASD a Joint Stipulation to Reopen Matter and a Stipulation for Award of Expungement from the NASD Central Registration Depository ("CRD") records of Respondents Sawicki and Jones in this matter. The Respondents further requested expungement from the CRD records of Respondents Sawicki and Jones as well as the CRD record of non-party Christopher Sinkula in the matter of Dean R. Good v. Salomon Smith Barney, Inc., Charles Sawicki, Christopher Sinkula, Joseph S. Jones, IV and Jack Grubman, NASD Arbitration Number 03-02722. On or about December 20, 2005, the Panel issued an Order that granted the parties' Joint Stipulation to Reopen Matter for the entry of a Stipulated Award directing expungement from Respondent Sawicki and Jones' NASD CRD records in this matter. Additionally, the Panel determined that it did not have the authority to issue a ruling on the requests for expungement in connection with NASD Arbitration Number 03-02722.

### **AWARD**

After considering the pleadings, the Joint Stipulation to Reopen Matter and the Stipulation for Award of Expungement, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

The Panel recommends the expungement of all reference to the above captioned arbitration (03-02705) from Respondents Sawicki and Jones' public and non-public registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Sawicki and Jones must obtain confirmation from a court of competent jurisdiction before the NASD CRD will execute the expungement directive.

### **FEES**

Pursuant to the NASD Code of Arbitration Procedure (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	= \$ 300.00
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#### **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, Citigroup is a party and a member firm.

Member Surcharge	= \$1,700.00
Pre-Hearing Processing Fee	= \$ 750.00
<u>Hearing Processing Fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

#### **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 Panel.

No injunctive relief fees were assessed in this matter.

**Forum Fees and Assessments**

The Panel 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 the Panel @ \$1,125.00/session = \$1,125.00  
Pre-hearing conference: November 18, 2003 1 session

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Total Forum Fees = \$1,125.00

The Panel has assessed forum fees of \$562.50 to Claimants, jointly and severally.

The Panel has assessed forum fees of \$562.50 to Respondents, jointly and severally.

**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**

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 562.50
Total Fees	= \$ 862.50
Less payments	= \$ 862.50
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Citigroup is solely liable for:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Forum Fees	= \$ 562.50
Less payments	= \$ 562.50
Balance Due NASD Dispute Resolution	= \$ 0.00

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

**ARBITRATION PANEL**

Armand Colson	-	Public Arbitrator, Presiding Chairperson
James W. Geiger, Esq.	-	Public Arbitrator
Mark I. Scheinbaum	-	Non-Public Arbitrator

**Arbitrators' Signatures**

/s/ \_\_\_\_\_  
Armand Colson  
Public Arbitrator, Presiding Chairperson

December 28, 2005  
Signature Date

/s/ \_\_\_\_\_  
James W. Geiger, Esq.  
Public Arbitrator

December 23, 2005  
Signature Date

/s/ \_\_\_\_\_  
Mark I. Scheinbaum  
Non-Public Arbitrator

December 22, 2005  
Signature Date

December 30, 2005  
Date of Service (For NASD Dispute Resolution office use only)

**ARBITRATION PANEL**

Armand Colson	-	Public Arbitrator, Presiding Chairperson
James W. Geiger, Esq.	-	Public Arbitrator
Mark I. Scheinbaum	-	Non-Public Arbitrator

**Arbitrators' Signatures**

Armand Colson  
Armand Colson  
Public Arbitrator, Presiding Chairperson

28 Dec, 2005  
Signature Date

\_\_\_\_\_  
James W. Geiger, Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Mark I. Scheinbaum  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

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**Arbitrators' Signatures**

\_\_\_\_\_  
Armand Colson  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

  
James W. Geiger, Esq.  
Public Arbitrator

Dec 23 2005  
Signature Date

\_\_\_\_\_  
Mark I. Scheinbaum  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

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NASD Dispute Resolution  
Arbitration No. 03-02705  
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**ARBITRATION PANEL**

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James W. Geiger, Esq.	-	Public Arbitrator
Mark L. Scheinbaum	-	Non-Public Arbitrator

**Arbitrators' Signatures**

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Armand Colson  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
James W. Geiger, Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

*Mark L. Scheinbaum*

\_\_\_\_\_  
Mark L. Scheinbaum  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

*12-22-05*

\_\_\_\_\_  
Date of Service (For NASD Dispute Resolution office use only)