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

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In the Matter of the Arbitration Between:

Names of the Claimants

Edward and Karen Pimentel JTWROS  
Edward Pimentel IRA

Case Number: 03-02788

Names of the Respondents

Salomon Smith Barney, Inc.  
n/k/a Citigroup Global Markets, Inc.  
Adam Campbell  
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 Edward and Karen Pimentel JTWROS, and Edward Pimentel IRA, hereinafter collectively referred to as "Claimants": James R. Hooper, Esq., Hooper & Weiss, L.L.C., Orlando, Florida.

For Salomon Smith Barney, Inc. n/k/a Citigroup Global Markets, Inc. ("Citigroup"), Adam Campbell ("Campbell") and Jack B. Grubman ("Grubman"), hereinafter collectively referred to as "Respondents": Angelika Hunnefeld, Esq., Greenberg Traurig, P.A., Miami, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: March 19, 2003.

Claimants signed the Uniform Submission Agreement: March 11, 2003.

Statement of Answer filed by Respondents on or about: June 23, 2003.

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

Respondent Campbell signed the Uniform Submission Agreement: May 29, 2003.

Respondent Grubman signed the Uniform Submission Agreement: May 28, 2003.

**CASE SUMMARY**

Claimants asserted the following causes of action: 1) unsuitability; 2) violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 adopted thereunder; 3) breach of contract; 4) breach of fiduciary duty; 5) common law fraud; 6) constructive fraud; 7) violation of SRO Conduct Rules; 8) violation of

Chapter 517 of the Florida Securities and Investor Protection Act; 9) negligence; 10) failure to supervise; and 11) *respondeat superior*. The causes of action relate to Claimant's 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: 1) compensatory and rescissory damages in the amount of \$81,328.83 as to the joint account; 2) compensatory and rescissory damages in the amount of \$80,052.79 as to the IRA account; 3) disgorgement and restitution of all earnings, profits, compensation and benefits received by Respondents; 4) interest; 5) costs; 6) attorneys' fees; and 7) such other relief as the undersigned arbitrators (the "Panel") deemed just and proper.

Respondents requested: 1) dismissal, with prejudice, of the Statement of Claim; and 2) expungement of all reference to the above captioned arbitration from Respondent Campbell's registration records maintained by the NASD Central Registration Depository ("CRD").

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

On or about July 23, 2004, Claimants filed their notice of dismissal, without prejudice, as to Respondent Campbell. Respondents consented to Claimants' dismissal, without prejudice, as to Respondent Campbell.

On or about August 2, 2004, Claimants filed their notice of settlement.

On or about September 14, 2004, Respondents Citigroup and Campbell filed their Stipulated Motion for Award Directing Expungement. Claimants did not oppose the motion. On or about November 9, 2004, the Panel ordered the parties to provide briefs in support of the motion. On or about November 18, 2004, Respondents Citigroup and Campbell filed their Memorandum in Support of Stipulated Motion for Award Directing Expungement. On or about November 30, 2004, the Panel granted the motion.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

### **AWARD**

After considering the pleadings, the Stipulated Motion for Award Directing Expungement, and the Panel's Order entered on November 30, 2004, 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 from Respondent Campbell's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Campbell must obtain confirmation from a court of competent jurisdiction before the 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 will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 300.00

#### **Member Fees**

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

Member surcharge = \$1,700.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$2,750.00

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

On or about July 13, 2004, the parties filed their notice of intent to mediate through NASD Dispute Resolution and request for adjournment of the evidentiary hearing scheduled for August 9 – 12, 2004. Pursuant to Rule 10403 of the Code, NASD Dispute Resolution adjourned the evidentiary hearing and waived the adjournment fee in the amount of \$1,125.00.

#### **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:

There were no three-day cancellation fees assessed during these proceedings.

#### **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.

There were no injunctive relief fees assessed during these proceedings.

#### **Forum Fees and Assessments**

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

One (1) Pre-hearing session with Panel @ \$1,125.00 per session = \$1,125.00  
Pre-hearing conference: November 21, 2003 1 session

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Total Forum Fees = \$1,125.00

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

The Panel has assessed forum fees in the amount of \$281.25 to Respondent Citigroup.

The Panel has assessed forum fees in the amount of \$281.25 to Respondent Grubman.

**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.

There were no administrative costs incurred during these proceedings.

**Fee Summary**

Claimants are jointly and severally liable for:

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

Respondent Citigroup is solely liable for:

Member Fees	= \$5,200.00
Forum Fees	= \$ 281.25
Total Fees	= \$5,481.25
<u>Less payments</u>	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 281.25

Respondent Grubman is solely liable for:

Forum Fees	= \$ 281.25
Total Fees	= \$ 281.25
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 281.25

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

**ARBITRATION PANEL**

<i>V. Michael Pabalis</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Kenneth J. Bennett</i>	-	<i>Public Arbitrator</i>
<i>Anthony J. Vignocchi</i>	-	<i>Non-Public Arbitrator</i>

**Concurring Arbitrators' Signatures**

                  /s/                    
V. Michael Pabalis  
Public Arbitrator, Presiding Chairperson

December 31, 2004  
Signature Date

                  /s/                    
Kenneth J. Bennett  
Public Arbitrator

December 26, 2004  
Signature Date

                  /s/                    
Anthony J. Vignocchi  
Non-Public Arbitrator

December 21, 2004  
Signature Date

January 4, 2005  
Date of Service (For NASD Dispute Resolution office use only)

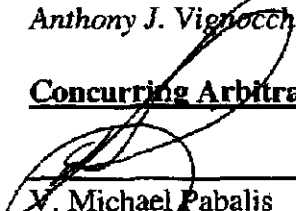
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**ARBITRATION PANEL**

V. Michael Pabalis  
Kenneth J. Bennett  
Anthony J. Vignocchi

- Public Arbitrator, Presiding Chairperson  
- Public Arbitrator  
- Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

  
V. Michael Pabalis  
Public Arbitrator, Presiding Chairperson

12/31/05  
Signature Date

Kenneth J. Bennett  
Public Arbitrator

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

Anthony J. Vignocchi  
Non-Public Arbitrator

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

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

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**ARBITRATION PANEL**

<i>V. Michael Pabalis</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Kenneth J. Bennett</i>	-	<i>Public Arbitrator</i>
<i>Anthony J. Vignocchi</i>	-	<i>Non-Public Arbitrator</i>

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
V. Michael Pabalis  
Public Arbitrator, Presiding Chairperson

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

*Kenneth J. Bennett*  
\_\_\_\_\_  
Kenneth J. Bennett  
Public Arbitrator

*12/26/04*  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Anthony J. Vignocchi  
Non-Public Arbitrator

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

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

**RECEIVED**  
DEC 29 2004  
**FL ARBITRATION**

Dec. 21. 2004 12:11PM NASD

No. 1948 P. 6

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**ARBITRATION PANEL**

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<i>Kenneth J. Bennett</i>	-	<i>Public Arbitrator</i>
<i>Anthony J. Vignocchi</i>	-	<i>Non-Public Arbitrator</i>

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
V. Michael Pabalis  
Public Arbitrator, Presiding Chairperson

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

\_\_\_\_\_  
Kenneth J. Bennett  
Public Arbitrator

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

*Anthony J. Vignocchi*  
\_\_\_\_\_  
Anthony J. Vignocchi  
Non-Public Arbitrator

*12/21/2004*  
\_\_\_\_\_  
Signature Date

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