
Award

NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Case Number: 03-04768

Robert L. Mott, IRA
Robert L. Mott and Dorothy K. Mott, Tenants by the Entirety
Anita Lee Davis, Individually
Anita Lee Davis, IRA
Anita Lee Davis ACF Dorothy E. Davis
Anita Lee Davis ACF Leeanne E. Davis
Anita Lee Davis ACF Robert Boush Davis
Boush Davis, IRA
Elaine M. Sullivan, Individually
Elaine M. Sullivan, IRA
Elaine M. Sullivan ACF Carey D. Sullivan
Glenda Mott Haggerty, Individually
William E. Haggerty, IRA
Glenda M. Haggerty ACF Bridgette Haggerty
Glenda M. Haggerty ACF Austin S. Haggerty
Glenda Mott Haggerty, IRA

Names of the Respondents

Hearing Site: Boca Raton, Florida

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

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

REPRESENTATION OF PARTIES

For Robert L. Mott, IRA ("RLM IRA"), Robert L. Mott and Dorothy K. Mott, Tenants by the Entirety ("RDM"), Anita Lee Davis, Individually ("ALD"), Anita Lee Davis, IRA ("ALD IRA"), Anita Lee Davis ACF Dorothy E. Davis ("DED"), Anita Lee Davis ACF Leeanne E. Davis ("LED"), Anita Lee Davis ACF Robert Boush Davis ("RBD"), Boush Davis, IRA ("BD IRA"), Elaine M. Sullivan, Individually ("EMS"), Elaine M. Sullivan, IRA ("EMS IRA"), Elaine M. Sullivan ACF Carey D. Sullivan ("CDS"), Glenda Mott Haggerty, Individually ("GMH"), William E. Haggerty, IRA ("WEH IRA"), Glenda M. Haggerty ACF Bridgette Haggerty ("BH"), Glenda M. Haggerty ACF Austin S. Haggerty ("ASH"), and Glenda Mott Haggerty, IRA ("GMH IRA"), hereinafter collectively referred to as "Claimants": James Richard Hooper, Esq., Hooper & Weiss, LLC, Orlando, Florida.

For Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc. ("Citigroup"), Jack B. Grubman ("Grubman"), James Levell ("Levell") and Steve Osborne ("Osborne"), hereinafter collectively referred to as "Respondents": Holly R. Skolnick, Esq., Greenberg Traurig, P.A., Miami, Florida.

CASE INFORMATION

Statement of Claim filed on or about: June 30, 2003.

Claimants EMS, EMS IRA and CDS signed the Uniform Submission Agreements: June 6, 2003.

Claimants GMH, WEH IRA, BH, ASH and GMH IRA signed the Uniform Submission Agreements: June 7, 2003.

Claimants RLM IRA, RDM, ALD, ALD IRA, DED, LED, RBD and BD IRA signed the Uniform Submission Agreements: June 8, 2003.

Statement of Answer filed by Respondents on or about: September 5, 2003.

Respondent Grubman signed the Uniform Submission Agreement: August 21, 2003.

Respondent Levell signed the Uniform Submission Agreement: August 21, 2003.

Respondent Osborne signed the Uniform Submission Agreement: August 22, 2003.

Respondent Citigroup signed the Uniform Submission Agreement: September 4, 2003.

Motion to Supplement Exhibits and to Amend the Statement of Claim filed by Claimants on or about: July 29, 2004.

Response to Motion to Supplement Exhibits and to Amend the Statement of Claim filed by Respondents on or about: August 4, 2004.

Amended Statement of Claim filed by Claimants on or about: July 29, 2004.

Answer to Amended Statement of Claim filed by Respondents on or about: September 20, 2004.

Motion to Dismiss Respondents Levell and Osborne filed on or about: November 4, 2004.

Response to Motion to Dismiss Respondents Levell and Osborne filed by Claimants on or about: November 5, 2004.

CASE SUMMARY

Claimants 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 Claimants' investments 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

Claimants requested rescissory damages in the amount of \$6,513,951.49, an unspecified amount of punitive damages, interest, costs, attorneys' fees and such other relief as deemed appropriate by the Panel.

Respondents requested that Claimants' Statement of Claim, as amended, be denied in its entirety, and dismissed with prejudice, with attorneys' fees and costs assessed against Claimants. Additionally, Respondents requested that their NASD Central Registration Depository ("CRD") records be expunged of all references to this matter.

OTHER ISSUES CONSIDERED AND DECIDED

On or about January 14, 2004, Claimants filed a notice with NASD Dispute Resolution representing that Claimants 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 27, 2004, the Panel issued an Order that granted Claimants' Motion to Supplement Exhibits and to Amend the Statement of Claim.

During the evidentiary hearing, Claimants dismissed Respondents Levell and Osborne from this matter, with prejudice.

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 testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Claimants' claims are denied in their entirety.

The Panel recommends the expungement of all references to the above captioned arbitration from Respondents Levell's and Osborne's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondents Levell and Osborne must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Each party shall bear their own costs and attorneys' fees.

Any and all claims for relief not specifically addressed herein, including Claimants' claims for relief pursuant to Section 517.301 of the Florida Securities and Investor Protection Act, Claimants' request for punitive damages and Respondents Citigroup's and Grubman's request for expungement, are denied.

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	= \$ 600.00
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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, Respondent Citigroup is a member firm and a party.

Member surcharge	= \$3,350.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$5,500.00</u>
Total Member Fees	= \$9,600.00

Adjournment Fees

No adjournments were requested 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.

Injunctive relief fees were not 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:

Two (2) Pre-hearing sessions with the Panel @ \$1,200.00/session		= \$2,400.00
Pre-hearing conferences:	January 26, 2004	1 session
	October 28, 2004	1 session
Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00/session		= \$ 900.00
Pre-hearing conferences:	September 1, 2004	1 session
	October 4, 2004	1 session
Six (6) Hearing sessions @ \$1,200.00/session		= \$7,200.00
Hearing Dates:	November 8, 2004	2 sessions
	November 9, 2004	2 sessions
	November 10, 2004	2 sessions
<hr/> Total Forum Fees		= \$10,500.00

The Panel has assessed the total forum fees of \$10,500.00 to Respondent Citigroup.

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 are 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 in this matter.

Fee Summary

Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 600.00
Total Fees	= \$ 600.00
<u>Less Payments</u>	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Citigroup is solely liable for:

Member Fees	= \$ 9,600.00
<u>Forum Fees</u>	= \$10,500.00
Total Fees	= \$20,100.00
<u>Less Payments</u>	= \$ 9,600.00
Balance Due NASD Dispute Resolution	= \$10,500.00

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

ARBITRATION PANEL

Michael Lukasievich, Esq.	-	Public Arbitrator, Presiding Chairperson
Leslie W. Langbein, Esq.	-	Public Arbitrator
Suzanne E. Mowry	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Michael Lukasievich, Esq.
Public Arbitrator, Presiding Chairperson

November 15, 2004
Signature Date

/s/
Leslie W. Langbein, Esq.
Public Arbitrator

November 15, 2004
Signature Date

/s/
Suzanne E. Mowry
Non-Public Arbitrator

November 15, 2004
Signature Date

November 15, 2004
Date of Service (For NASD Dispute Resolution office use only)

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ARBITRATION PANEL

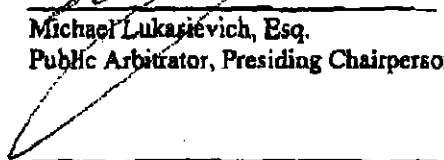
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Public Arbitrator, Presiding Chairperson
 Public Arbitrator
 Non-Public Arbitrator

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 Public Arbitrator, Presiding Chairperson

11/15/04
 Signature Date


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Signature Date


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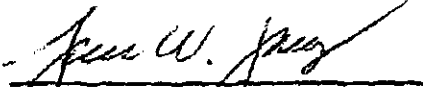
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NASD REGULATIONS

NO. 507

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NASD Dispute Resolution

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Public Arbitrator, Presiding Chairperson

Public Arbitrator

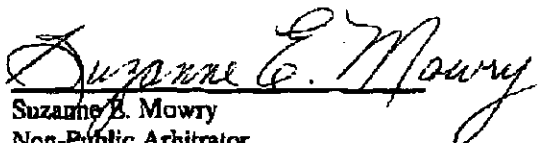
Non-Public Arbitrator

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Public Arbitrator

Signature Date

Suzanne E. Mowry

Non-Public Arbitrator

11-15-04
Signature Date_____
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