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

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In the Matter of the Arbitration Between:

Name of the Claimant  
Steve L. Hensley

Case Number: 03-04807

Names of the Respondents  
Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc.  
Jack B. Grubman

Hearing Site: Tampa, Florida

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

**REPRESENTATION OF PARTIES**

For Steve L. Hensley, hereinafter referred to as "Claimant": Michael B. Lynch, Esq., Hooper & Weiss, LLC, Orlando, Florida.

For Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Jack B. Grubman ("Grubman"), hereinafter collectively referred to as "Respondents": Tucker H. Byrd, Esq. and Jennifer Tomsen, Esq., Greenberg Traurig, P.A., Orlando, Florida.

**CASE INFORMATION**

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

Claimant signed the Uniform Submission Agreement: November 16, 2004.

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

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

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

Motion to Supplement Exhibits and to Amend the Statement of Claim filed by Claimant on or about: May 28, 2004.

Response to Motion to Supplement Exhibits and to Amend the Statement of Claim filed by Respondents on or about: June 14, 2004.

Amended Statement of Claim filed by Claimant on or about: May 28, 2004.

Answer to Amended Statement of Claim filed by Respondents on or about: July 7, 2004.

**CASE SUMMARY**

Claimant 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 Claimant's investment 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**

Claimant requested rescissory damages in the amount of \$40,750.00, an unspecified amount of punitive damages,

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interest, costs, attorneys' fees and such other relief as deemed appropriate by the undersigned arbitrator (the "Arbitrator").

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

**OTHER ISSUES CONSIDERED AND DECIDED**

On or about December 24, 2003, Claimant filed a notice with NASD Dispute Resolution representing that Claimant had complied with the procedure for opting out of the class action filed in court, entitled *In Re WorldCom Securities Litigation*.

On or about June 23, 2004, the Arbitrator issued an Order that granted Claimant's Motion to Supplement Exhibits and to Amend the Statement of Claim.

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 Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

Claimant's claims are denied in their entirety.

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

Any and all claims for relief not specifically addressed herein, including Claimant's claims for relief pursuant to Section 517.301 of the Florida Securities and Investor Protection Act and Claimant's request for punitive damages, 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	= \$175.00
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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	= \$ 875.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$1,000.00</u>
Total Member Fees	= \$2,625.00

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Award Page 3**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 Arbitrator.

Injunctive relief fees were not assessed in this matter.

**Forum Fees and Assessments**

The Arbitrator 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 @ \$450.00/session		= \$ 900.00
Pre-hearing conferences:		
January 26, 2004	1 session	
October 19, 2004	1 session	

Two (2) Hearing sessions @ \$450.00/session		= \$ 900.00
Hearing Date:		
November 16, 2004	2 sessions	

Total Forum Fees		= \$1,800.00
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The Arbitrator has assessed forum fees of \$900.00 to Claimant.

The Arbitrator has assessed forum fees of \$900.00 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 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**

Claimant is solely liable for:

Initial Filing Fee	= \$ 175.00
Forum Fees	= \$ 900.00
Total Fees	= \$1,075.00
Less Payments	= \$ 625.00
Balance Due NASD Dispute Resolution	= \$ 450.00

Respondent Citigroup is solely liable for:

Member Fees	= \$2,625.00
Total Fees	= \$2,625.00
Less Payments	= \$2,625.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 900.00
<u>Total Fees</u>	= \$ 900.00
<u>Less Payments</u>	= \$ 700.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 200.00

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

**ARBITRATOR**

Gail E. Sasnett-Stauffer, M.S., J.D.

Public Arbitrator

**Arbitrator's Signature**

/s/  
Gail E. Sasnett-Stauffer, M.S., J.D.  
Public Arbitrator

November 23, 2004  
Signature Date

November 24, 2004  
Date of Service (For NASD Dispute Resolution office use only)

12/0 DEC. 8. 2004 1. 5:22PM x

NASD REGULATIONS

NO. 648 P. 6 002/002  
NO. 012 Y. 1

DEC. 8. 2004 1:33PM

NASD REGULATIONS

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ARBITRATOR

Gail E. Sasnett-Stauffer, M.S., J.D.

Public Arbitrator

Arbitrator's Signature

Gail E. Sasnett-Stauffer  
Gail E. Sasnett-Stauffer, M.S., J.D.  
Public Arbitrator

11/23/2004  
Signature Date

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