
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

The Declaration of Marilyn A. Nicklas Trust

Case Number: 03-04830

Names of the Respondents

Citigroup Global Markets, Inc., f/k/a

Salomon Smith Barney, Inc.

Jack B. Grubman

Hearing Site: Tampa, Florida

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

REPRESENTATION OF PARTIES

For The Declaration of Marilyn A. Nicklas Trust, hereinafter referred to as "Claimant": Michael Lynch, Esq., Hooper & Weiss, L.L.C., 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": Jennifer Tomsen, Esq., Greenberg Traurig, P.A., Orlando, Florida.

CASE INFORMATION

Statement of Claim filed on or about: July 2, 2003.

Claimant signed the Uniform Submission Agreement: April 14, 2003.

Statement of Answer filed by Respondents on or about: August 27, 2003.

Respondent Citigroup signed the Uniform Submission Agreement: January 14, 2005.

Respondent Grubman signed the Uniform Submission Agreement: January 14, 2005.

Amended Statement of Claim filed by Claimant on or about: May 11, 2004.

Answer to Amended Statement of Claim filed by Respondents on or about: July 9, 2004.

Preliminary Response to Respondents' Motion to Dismiss and Motion to Strike (contained in

Answer to Amended Statement of Claim) filed by Claimant on or about: October 22, 2003.

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 \$16,183.25, an unspecified amount of punitive damages, 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 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.

In their Answer to the Amended Statement of Claim, Respondents requested dismissal of the Statement of Claim, stating that it is insufficient to establish any of the causes of action that Claimant asserts. Additionally, Respondents requested that the Panel strike all references to exhibits attached to the Amended Statement of Claim that relate to settlement agreements and bankruptcy examiner reports, asserting that these exhibits are inadmissible and irrelevant. In its response, Claimant asserted, among other things, that Respondents' "Motion to Dismiss" should be denied because, among other things, NASD rules do not provide for a substantive motion to dismiss predicated on Claimant's failure to state a proper claim. Claimant further asserted that Respondents' "Motion to Strike" should be denied because, among other things, NASD rules do not provide for a motion to strike items prior to a party's offering of such items into evidence. The Arbitrator denied the motion to dismiss and motion to strike.

Claimant initially filed this matter as a simplified arbitration to be decided on the papers. Thereafter, Claimant requested that an evidentiary hearing be conducted, to which Respondents objected. On or about August 12, 2004, the Arbitrator issued an Order stating that, in lieu of conducting an evidentiary hearing, the Arbitrator would make a final determination of this matter on the papers following submission by the parties of final hearing briefs.

AWARD

After considering the pleadings and final hearing briefs submitted by the parties, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

Claimant's claims are dismissed in their entirety.

All requests for attorneys' fees are denied.

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	= \$125.00
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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 party and a member firm.

<u>Member surcharge</u>	= \$425.00
Total Member Fees	= \$425.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were assessed.

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 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:

One (1) Pre-hearing session with a single arbitrator @\$450.00/session = \$450.00
Pre-hearing conference: August 12, 2004 1 session

Total Forum Fees = \$450.00

The Arbitrator has assessed forum fees of \$225.00 to Claimant.

The Arbitrator has assessed forum fees of \$225.00 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 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

Claimant is solely liable for:

Initial Filing Fee	= \$125.00
<u>Forum Fees</u>	<u>= \$225.00</u>
Total Fees	= \$350.00
<u>Less payments</u>	<u>= \$350.00</u>
Balance Due NASD Dispute Resolution	= \$0.00

Respondent Citigroup is solely liable for:

<u>Member Fees</u>	<u>= \$425.00</u>
Total Fees	= \$425.00
<u>Less payments</u>	<u>= \$425.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$225.00</u>
Total Fees	= \$ 225.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 225.00

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

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ARBITRATOR

Walter C. Copeland

Public Arbitrator

Arbitrator's Signature

Walter C. Copeland

Walter C. Copeland
Public Arbitrator

8/9/05
Signature Date

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

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ARBITRATOR

Walter C. Copeland

- Public Arbitrator

Arbitrator's Signature

/S/
Walter C. Copeland
Public Arbitrator

August 9, 2005
Signature Date

August 10, 2005
Date of Service (For NASD Dispute Resolution office use only)