
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Neil C. McGrath

Case Number: 03-04835

Names of the Respondents

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

Salomon Smith Barney, Inc.

Jack B. Grubman

Hearing Site: Boca Raton, Florida

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

REPRESENTATION OF PARTIES

For Neil C. McGrath, hereinafter referred to as "Claimant": Michael B. 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": Mark L. Parmelee, Esq., Greenberg Traurig, L.L.P., New York, New York.

CASE INFORMATION

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

Claimant signed the Uniform Submission Agreement: June 25, 2003.

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

Respondent Citigroup signed the Uniform Submission Agreement: September 23, 2003.

Respondent Grubman signed the Uniform Submission Agreement: September 24, 2003.

Amended Statement of Claim filed by Claimant on or about: April 27, 2004.

Response to Claimant's Amended Statement of Claim filed by Respondents on or about: July 9, 2004.

Claimant's Preliminary Response to Respondents' Motions to Dismiss and to Strike contained in Respondents' Answer filed on or about: October 22, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: 1) violation of Section 17(A) of the Securities Act of 1933; 2) violation of Chapter 517.301 of the Florida Securities and Investor Protection Act; 3) violation of NASD Rule 2210(d)(1), Communications with the Public-General Standards; 4) NYSE Rule 202.02; 5) breach of fiduciary duty; and 6) 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: 1) rescissory damages in the amount of \$8,803.23; 2) an unspecified amount of punitive damages; 3) interest; 4) costs; 5) attorneys' fees; and 6) such other relief as deemed appropriate by the undersigned Arbitrator.

Respondents requested: 1) that Claimant's Statement of Claim be denied in its entirety, and dismissed with prejudice; 2) attorneys' fees; and 3) that costs be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

In his deliberation in this matter, the Arbitrator determined to deny Respondents' Motion to Dismiss.

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 27, 2004, the Arbitrator issued an Order providing that the dispute would be resolved by hearing pursuant to Rule 10302(f) of the Code of Arbitration Procedure (the "Code"). On or about August 30, 2004, Respondents requested that the Arbitrator make a final determination of this matter on the papers in lieu of conducting an evidentiary hearing. On or about October 6, 2004, the Arbitrator issued an Order denying Respondents' request.

On or about June 21, 2005, the parties submitted a joint motion to the Arbitrator to make a final determination of this arbitration proceeding on the papers in lieu of conducting an evidentiary hearing. On or about July 11, 2005, the Arbitrator issued an Order granting the parties' joint motion.

AWARD

After considering the pleadings and the record in this matter, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant's claims against Respondents are hereby denied.
- 2) The parties' respective requests for attorneys' fees are denied.
- 3) Any and all claims for relief not specifically addressed herein, including Claimant's request for punitive damages and Claimant's claims for relief pursuant to Chapter 517.301, Florida Statutes, are denied.

FEES

Pursuant to 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 = \$ 75.00

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.

<u>Member Surcharge</u>	= \$ 325.00
Total Member Fees	= \$ 325.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournments were requested 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 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:

One (1) Pre-hearing session with the Arbitrator @ \$250.00/session	= \$ 250.00
Pre-hearing conference: August 27, 2004 1 session	

Total Forum Fees	= \$ 250.00
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The Arbitrator has assessed \$125.00 of the forum fees to Claimant.

The Arbitrator has assessed \$125.00 of the forum fees 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 in this matter.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 75.00
Forum Fees	= \$ 125.00
Total Fees	= \$ 200.00
Less Payments	= \$ 200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Citigroup is solely liable for:

Member Fees	= \$ 325.00
Total Fees	= \$ 325.00
Less Payments	= \$ 325.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Forum Fees	= \$ 125.00
Total Fees	= \$ 125.00
Less Payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 125.00

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

ARBITRATOR

Mitchell V. Gregory

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Public Arbitrator

Arbitrator's Signature

_____/s/_____
Mitchell V. Gregory
Public Arbitrator

10/5/05
Signature Date

10/6/05
Date of Service (For NASD Dispute Resolution office use only)

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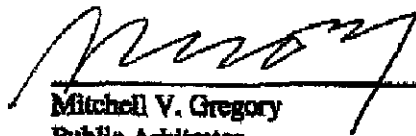
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