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

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In the Matter of the Arbitration Between:

Name of the Claimant  
Sandi Cooper

Case Number: 03-04837

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

Hearing Site: Boca Raton, Florida

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

**REPRESENTATION OF PARTIES**

For Sandi Cooper, 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 Grubman ("Grubman"), hereinafter collectively referred to as "Respondents": Mark L. Parmelee, Esq., Greenberg Traurig, LLP, New York, New York.

**CASE INFORMATION**

Statement of Claim filed on or about: June 27, 2003.  
Claimant signed the Uniform Submission Agreement: March 24, 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 on or about: May 14, 2004  
Respondents' Answer to Amended Statement of Claim filed on or about: July 9, 2004.  
Joint Motion to Proceed solely on the Pleadings and submit Final Hearing Briefs filed on or about: March 11, 2005.

**CASE SUMMARY**

Claimant asserted the following causes of action: 1) omission to state material facts and conflicts of interest in violation of Section 17(a) of the Securities Act of 1933; 2) omission to state material facts and conflicts of interest in violation of Chapter 517.301 of the Florida Securities and Investor Protection Act; 3) omission to state material facts and conflicts of interest in violation of NASD Rule 2210(d)(1), Communications with the Public-General Standards; 4) breach of fiduciary duty; and, 5) respondeat superior. The causes of action relate to the 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 \$5,962.58, an unspecified amount of punitive damages, interest, costs, attorneys' fees and such other relief as deemed appropriate by the undersigned 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, 2004, 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 March 15, 2005, the Chairperson issued an Order granting the parties' Motion to Proceed solely on the Pleadings and to file Final Hearing Briefs. Thereafter, on or about April 15, 2005, Claimant filed her Final Brief and, on or about July 28, 2005, Respondents filed their Final Brief.

### **AWARD**

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

Respondents are found not liable and all Claimant's claims are denied in their entirety and dismissed, with prejudice.

Any and all relief not specifically addressed herein, including Claimant's requests for attorney's fees, punitive damages and request for relief pursuant to Florida Statutes, §517 and Respondents' request for attorneys' fees, 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 = \$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, Citigroup is a party and a member firm.

Member surcharge = \$325.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournment fees assessed during these proceedings.

**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 @ \$250.00/session	= \$250.00
Pre-hearing conference: September 20, 2005 1 session	

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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 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 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	= \$ 75.00
<u>Forum Fees</u>	= \$ 125.00
Total Fees	= \$ 200.00
<u>Less payments</u>	= \$ 200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

NASD Dispute Resolution

Arbitration No. 03-04837

Award Page 4 of 4

Respondent Citigroup is solely liable for:

Member Fees	= \$ 325.00
Forum Fees	= \$ 125.00
Total Fees	= \$ 450.00
<u>Less payments</u>	<u>= \$ 325.00</u>
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.

**ARBITRATION PANEL**

Marie G. Peterson, CPA

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Public Arbitrator

**Arbitrator's Signature**

/s/

Marie G. Peterson  
Public Arbitrator

08/03/05

Signature Date

08/03/05

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

NASD Dispute Resolution  
Arbitration No. 03-04837  
Award Page 4 of 4

Respondent Citigroup is solely liable for:

Member Fees	= \$ 325.00
Forum Fees	= \$ 125.00
Total Fees	= \$ 450.00
Less payments	= \$ 325.00
Balance Due NASD Dispute Resolution	= \$ 125.00

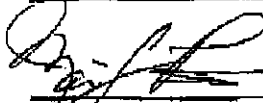
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**ARBITRATION PANEL**

Marie G. Peterson, CPA

Public Arbitrator

**Arbitrator's Signature**



Marie G. Peterson  
Public Arbitrator



Signature Date

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