
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
John W. Bates

Case Number: 03-04840

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 John W. Bates, 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": David Travin, Esq., Greenberg Traurig, P.A., New York, New York.

CASE INFORMATION

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

Amended Statement of Claim filed on or about: April 28, 2004.

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

Claimant signed the Uniform Submission Agreement: April 3, 2003.

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

Respondent Grubman signed the Uniform Submission Agreement: September 24, 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 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 rescissionary damages in the amount of \$12,540.45, 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.

On or about June 22, 2005, the parties requested that, in lieu of conducting an evidentiary hearing, the Arbitrator make a final determination of this matter on the papers following submission by the parties of final hearing briefs, to which the Arbitrator agreed.

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 has failed to meet the burden of proof as to the claims set forth in the Amended Statement of Claim. Therefore, the undersigned Arbitrator rules in favor of the Respondents.

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

Any and all claims for relief not specifically addressed herein, including Claimant's claim for relief pursuant to 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

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	= \$425.00
Total Member Fees	= \$425.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were assessed 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 Panel.

No injunctive relief fees were 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 @ \$450.00/session	= \$450.00
Pre-hearing conference: November 4, 2004 1 session	

Total Forum Fees	= \$450.00
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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.

No administrative costs were incurred in this matter.

Fee Summary

Claimant is solely liable for:

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

Respondent Citigroup is solely liable for:

Member Fees	= \$425.00
Total Fees	= \$425.00
Less payments	= \$425.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Forum Fees	= \$225.00
Total Fees	= \$225.00
Less payments	= \$ 0.00
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.

ARBITRATOR

Steven N. Ainbinder, Esq.

Public Arbitrator

Arbitrator's Signature

/s/
Steven N. Ainbinder, Esq.
Public Arbitrator

October 18, 2005
Signature Date

October 18, 2005
Date of Service (For NASD Dispute Resolution office use only)

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No administrative costs were incurred in this matter.

Fee Summary

Claimant is solely liable for:

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

Respondent Citigroup is solely liable for:

Member Fees	= \$425.00
Total Fees	= \$425.00
Less payments	= \$425.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Forum Fees	= \$225.00
Total Fees	= \$225.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$225.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10390(g) of the Code.

ARBITRATOR

Steven N. Ambinder, Esq.

Public Arbitrator

Arbitrator's Signature

Steven N. Ambinder, Esq.
Public Arbitrator

10/16/05
Signature Date

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