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

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In the Matter of the Arbitration Between:

Name of the Claimant

Richard D. Truman

Case Number: 03-04846

Names of the Respondents

Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc.

Jack B. Grubman

Hearing Site: Boca Raton, Florida

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

**REPRESENTATION OF PARTIES**

For Richard D. Truman ("Truman"), hereinafter referred to as "Claimant": William B. Young, Esq. and Ramon I. Melendez, 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": Mr. Glenn Harris, Esq., Greenberg Traurig, P.A., Miami, Florida.

**CASE INFORMATION**

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

Claimant signed the Uniform Submission Agreement: January 20, 2003.

Statement of Answer filed by Respondents on or about: September 12, 2003.

Respondent Citigroup signed the Uniform Submission Agreement: August 21, 2003.

Respondent Grubman signed the Uniform Submission Agreement: August 29, 2003.

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

Amended 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.

Answer to Amended Statement of Claim filed by Respondents on or about: July 6, 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 rescissionary damages in the amount of \$27,519.82, an unspecified amount of punitive damages, interest, costs, attorneys' fees and such other relief as deemed appropriate by the Panel.

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 January 5, 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 June 20, 2004, the Arbitrator issued an order that granted Claimant's Motion to Supplement Exhibits and to Amend the Statement of Claim.

### **AWARD**

After considering the pleadings and the testimony and evidence presented at the hearing, 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.

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	= \$150.00
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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 that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Respondent Citigroup is a member firm and a party.

Member surcharge	= \$ 600.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$1,000.00</u>
Total Member Fees	= \$2,350.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

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 Panel.

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, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00 /session	= \$ 900.00
Pre-hearing conferences:	
February 5, 2004 1 session	
November 22, 2004 1 session	
One (1) Hearing session @ \$450.00/session	
Hearing date: December 14, 2004 1 session	= \$ 450.00
Total Forum Fees	= \$1,350.00

The Arbitrator has assessed forum fees of \$675.00 to Claimant.

The Arbitrator has assessed forum fees of \$675.00 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	= \$ 150.00
Forum Fees	= \$ 675.00
Total Fees	= \$ 825.00
Less Payments	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 225.00

Respondent Citigroup is solely liable for:

Member Fees	= \$2,350.00
Total Fees	= \$2,350.00
Less Payments	= \$2,350.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Forum Fees	= \$ 675.00
Total Fees	= \$ 675.00
Less Payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 675.00

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

**ARBITRATOR**

George L. Davis

Public Arbitrator, Presiding Chairperson

**Arbitrator's Signature**

/s/

George L. Davis  
Public Arbitrator, Presiding Chairperson

December 15, 2004

Signature Date

December 15, 2004

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

**Fee Summary**

Claimant is solely liable for:

Initial Filing Fee	= \$ 150.00
Forum Fees	= \$ 675.00
Total Fees	= \$ 825.00
Less Payments	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 225.00

Respondent Citigroup is solely liable for:

Member Fees	= \$2,350.00
Total Fees	= \$2,350.00
Less Payments	= \$2,350.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Forum Fees	= \$ 675.00
Total Fees	= \$ 675.00
Less Payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 675.00

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

**ARBITRATOR**

George L. Davis

Public Arbitrator, Presiding Chairperson

Arbitrator's Signature

  
George L. Davis  
Public Arbitrator, Presiding Chairperson

12/15/04  
Signature Date

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