
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Paulette M. Liebman

Case Number: 03-04850

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

Hearing Site: Boca Raton, Florida

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

REPRESENTATION OF PARTIES

For Paulette M. Liebman, hereinafter referred to as "Claimant": James Richard Hooper, Esq. and Michael B. Lynch, Esq., Hooper & Weiss, L.L.C., Orlando, Florida.

For Citigroup Global Markets, Inc., f/k/a Solomon Smith Barney, Inc. ("Citigroup"), and Jack Grubman ("Grubman"), hereinafter collectively referred to as "Respondents": Bradford D. Kaufman, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida, Holly R. Skolnick, Esq., and Ricardo A. Gonzalez, Esq., Greenberg Traurig, P.A., Miami, Florida, and Stephen L. Saxl, Esq., Greenberg Traurig, P.A., 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, Motion to Dismiss and Motion to Strike 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.

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

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

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

CASE SUMMARY

Claimant asserted the following causes of action: 1) omission of material facts and conflicts of interest in violation of Section 17(a) of the Securities Act of 1933; 2) omission of material facts and conflicts of interest in violation of the Florida Securities and Investor Protection Act, Florida Statutes Section 517.301; 3) concealment of material facts and conflicts of interest; 4) omission of material facts and conflicts of interest in violation of NASD Rule 2210(d)(1), Communications With the Public- General Standards; 5) breach of fiduciary duty; and 6) respondeat superior. The causes of action relate to the purchase and sale of shares of WorldCom, Inc. stock in Claimant's account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim, asserted various affirmative defenses, and asserted a Motion to Dismiss on the following bases: an analyst cannot be held liable because his opinions turn out to be wrong; the analyst reports had a reasonable basis in fact; the analyst reports repeatedly put Claimant on notice of the risks of investing in WorldCom, Inc. stock; Respondents made their analyses transparent to readers so that they could follow them and test them for themselves; Respondent Grubman's positive opinions about WorldCom, Inc. were consistent with the views of many other analysts; each of the research reports disclosed Respondent Citigroup's investment banking relationship with WorldCom, Inc. and complied with existing rules and regulations concerning such disclosures; and, Claimant could not establish that the alleged acts or omissions of Respondents caused her investment losses.

In response to the Motion to Dismiss, Claimant denied the assertions therein.

RELIEF REQUESTED

Claimant requested: 1) rescissionary damages in the amount of \$3,540.09; 2) punitive damages; 3) interest; 4) costs; 5) attorneys' fees; and, 6) any other relief deemed just and proper.

Respondents requested: 1) dismissal of the Statement of Claim in its entirety; and, 2) attorneys' fees.

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*.

During the pre-hearing conference on October 21, 2004, the Arbitrator advised the parties that no evidentiary hearing would be conducted in this matter and it would be decided solely on the papers submitted. In addition, the Arbitrator advised the parties that Claimant's brief, if any, was due on October 29, 2004 with a reply brief due November 5, 2004. No briefs were received from the parties. Thereafter, on or about November 12, 2004, the Arbitrator granted Respondents' Motion to Dismiss.

The parties agreed that the Award in this matter may be executed in counterpart copies.

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:

Claimant's claims are dismissed in their entirety, with prejudice, and judgment is entered for Respondents.

All requests for punitive damages are denied.

All requests for interest are denied.

All request for attorneys' fees are denied.

Any and all claims for relief not specifically addressed herein, including Claimant's request for damages pursuant to Florida Statutes Section 517.301, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 50.00

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 person at the time of the events giving rise to the dispute. The member firm Citigroup Global Markets, Inc. is a party.

Member surcharge = \$ 200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which 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:

No three-day cancellation fees were incurred 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.

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, 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 @ \$125.00 per session	= \$	250.00
Pre-hearing conferences:		
October 11, 2004	1 session	
October 21, 2004	1 session	
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Total Forum Fees	= \$	250.00

The Arbitrator has assessed \$125.00 to Claimant.

The Arbitrator has assessed \$62.50 to Respondent Citigroup.

The Arbitrator has assessed \$62.50 to Respondent Grubman.

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 during these proceedings.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$	50.00
Forum Fees	= \$	125.00
Total Fees	= \$	175.00
Less payments	= \$	175.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondent Citigroup is solely liable for:

Member Fees	= \$	200.00
Forum Fees	= \$	62.50
Total Fees	= \$	262.50
Less payments	= \$	200.00
Balance Due NASD Dispute Resolution	= \$	62.50

Respondent Grubman is solely liable for:

Forum Fees	= \$	62.50
Total Fees	= \$	62.50
Less payments	= \$	0.00
Balance Due NASD Dispute Resolution	= \$	62.50

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

ARBITRATOR

Robert J. Walter, Esq.

Public Arbitrator, Presiding Chairperson

Arbitrator's Signature

/s/

Public Arbitrator, Presiding Chairperson

11/22/04

Signature Date

11/24/04

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

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NASD REGULATIONS

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Respondent Grubman is solely liable for:

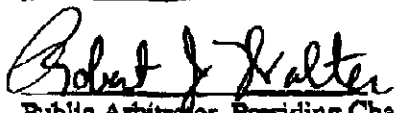
Forum Fees	= \$	62.50
Total Fees	= \$	62.50
Less payments	= \$	0.00
Balance Due NASD Dispute Resolution	= \$	62.50

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

ARBITRATOR

Robert J. Walter, Esq.

Public Arbitrator, Presiding Chairperson

Arbitrator's Signature

Public Arbitrator, Presiding Chairperson

November 22, 2004
Signature DateDate of Service (For NASD Dispute Resolution office use only)