
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Irving G. Miller and Darlene R. Miller, JTWROS

Case Number: 03-04866

Names of the Respondents

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

Hearing Site: Orlando, Florida

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

REPRESENTATION OF PARTIES

For Irving G. Miller and Darlene R. Miller, JTWROS, hereinafter collectively referred as "Claimants": James Richard Hooper, 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": Tucker H. Byrd, Esq., Greenberg Traurig, P.A., Orlando, Florida.

CASE INFORMATION

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

Claimants signed the Uniform Submission Agreements: April 18, 2003.

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

Respondent Citigroup signed the Uniform Submission Agreement: December 15, 2004.

Respondent Grubman signed the Uniform Submission Agreement: December 15, 2004.

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

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

CASE SUMMARY

Claimants 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 Claimants' 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

Claimants requested rescissory damages in the amount of \$4,858.13, 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 Claimants' Statement of Claim be denied in its entirety, and dismissed with prejudice, with attorneys' fees and costs assessed against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

On or about December 24, 2003, Claimants filed a notice with NASD Dispute Resolution representing that Claimants 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 7, 2005, the parties requested that the Arbitrator make a final determination of this matter on the papers in lieu of conducting an evidentiary hearing, to which the Arbitrator agreed.

AWARD

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

Respondents are jointly and severally liable and shall pay to Claimants compensatory damages in the amount of \$4,858.13, plus interest at the Florida statutory rate that shall accrue from March 8, 2000 until payment of the Award.

Respondents are liable on the claims of: 1) breach of fiduciary duty; 2) violation of Section 17(A) of the Securities Exchange Act of 1933; 3) violation of Chapter 517.301 of the Florida Securities and Investor Protection Act; 4) and, violation of NASD Rule 2210(d)(1).

The Arbitrator determined that Respondents plainly violated their fiduciary duty to Claimants and that Respondent Citigroup woefully failed to supervise Respondent Grubman. As such, Respondents are jointly and severally liable and shall pay to Claimants \$4,858.13 as punitive damages pursuant to Sections 768.737 and 768.72, Florida Statutes.

Respondents are jointly and severally liable and shall pay to Claimants their costs and attorneys' fees in an amount to be determined by a court of competent jurisdiction. Attorneys' fees are awarded pursuant to Florida Blue Sky Laws, Chapter 517, Florida Statutes.

Any and all claims for relief not specifically addressed herein 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 = \$50.00

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.

Member Surcharge = \$200.00

Total Member Fees = \$200.00

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:

Two (2) Pre-hearing sessions with the Arbitrator @ \$125.00/session = \$250.00

Pre-hearing conferences: December 10, 2004 1 session

January 19, 2005 1 session

Total Forum Fees = \$250.00

The Arbitrator has assessed the total forum fees of \$250.00 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.

There were no administrative costs incurred in this matter.

Fee Summary

Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 50.00
<u>Total Fees</u>	= \$ 50.00
<u>Less Payments</u>	= \$ 50.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$200.00
<u>Total Fees</u>	= \$200.00
<u>Less Payments</u>	= \$200.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$250.00
<u>Total Fees</u>	= \$250.00
<u>Less Payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$250.00

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

ARBITRATOR

James T. Pearce

Public Arbitrator

Arbitrator's Signature

/s/
James T. Pearce
Public Arbitrator

May 17, 2005
Signature Date

May 17, 2005
Date of Service (For NASD Dispute Resolution office use only)

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5/17/05
Signature Date

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