

---

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

---

In the Matter of the Arbitration Between:

Name of the Claimant

Muriel Israel Trustee FBO Muriel Israel

Case Number: 03-04877

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 Muriel Israel Trustee FBO Muriel Israel, hereinafter referred to as "Claimant": 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 B. Grubman ("Grubman"), hereinafter collectively referred to as "Respondents": Bradford D. Kaufman, Esq. and Holly J. Sutton, 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 27, 2003.

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

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

Respondent Grubman signed the Uniform Submission Agreement: September 24, 2003.

Amended Statement of Claim filed by Claimant on or about: May 11, 2004.

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

**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 Claimant's investment in WorldCom stock.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimant requested rescissionary damages in the amount of \$4,144.56, an unspecified amount of punitive damages, interest, costs, attorneys' fees and such other relief as deemed appropriate by the Panel.

Respondents requested that the 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 January 14, 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 November 3, 2004, Respondents filed a brief with NASD Dispute Resolution requesting that this matter be determined on the paper record, without any in-person final hearing.

On or about March 29, 2005, the sole arbitrator for this matter issued an Order that granted Respondents' request to have this matter determined on the paper record only.

### **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 Claimant's claims are dismissed in their entirety, with prejudice.

Any and all claims for relief not specifically addressed herein, including Claimant's requests for attorneys' fees, punitive damages and request for relief pursuant to Florida Statutes, Chapter 517.301 and Respondents' request for attorneys' fees, are denied.

### **FEES**

Pursuant to the NASD Code of Arbitration (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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Respondent Citigroup is a party to this dispute and was a member of NASD at the time the following fees were assessed:

Member surcharge	= \$ 200.00
------------------	-------------

**Adjournment Fees**

No requests for adjournments were filed 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 cancellation fees were assessed in this matter.

**Injunctive Relief Fees**

No injunctive relief fees were incurred during this proceeding.

**Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator @ \$125.00	= \$250.00
Pre-hearing conferences:     September 24, 2004     1 session	
November 8, 2004     1 session	
<hr/> Total Forum Fees	<hr/> = \$250.00

The Arbitrator has assessed \$125.00 of the forum fees to Claimant.

The Arbitrator has assessed \$125.00 of the forum fees jointly and severally to Respondents.

**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 this proceeding.

**Fee Summary**

Claimant is solely liable for:

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

Respondent Citigroup is solely liable for:

Member Fees	= \$ 200.00
-------------	-------------

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

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$ 125.00</u>
Total Fees	= \$ 125.00
<u>Less payments</u>	<u>= \$ 0.00</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.

**ARBITRATOR**

*Constantine E. Sperantsas, CFA*

*Public Arbitrator, Presiding Chairperson*

**Arbitrator's Signature**

/s/  
Constantine (Dean) E. Sperantsas, CFA  
Public Arbitrator, Presiding Chairperson

04/11/05  
Signature Date

04/12/05  
Date of Service (For NASD Dispute Resolution office use only)

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

Respondents are jointly and severally liable for:

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

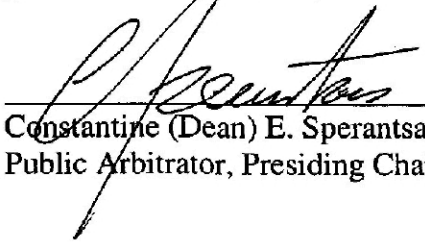
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

**ARBITRATOR**

*Constantine E. Sperantsas, CFA*

*Public Arbitrator, Presiding Chairperson*

**Arbitrator's Signature**

  
Constantine (Dean) E. Sperantsas, CFA  
Public Arbitrator, Presiding Chairperson

4/11/05  
Signature Date

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