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

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In the Matter of the Arbitration Between:

Name of the Claimant  
Jobino Fernandez

Case Number: 03-05011

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

Hearing Site: Tampa, Florida

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

**REPRESENTATION OF PARTIES**

For Jobino Fernandez, 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": Bradford Kaufman, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: July 8, 2003.  
Claimant signed the Uniform Submission Agreement: May 21, 2003.  
Statement of Answer filed by Respondents on or about: September 17, 2003.  
Respondent Citigroup signed the Uniform Submission Agreement: November 18, 2003.  
Respondent Grubman signed the Uniform Submission Agreement: November 18, 2003.  
Amended Statement of Claim filed by Claimant on or about: July 29, 2004.  
Answer to Amended Statement of Claim filed by Respondents on or about: August 30, 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 \$5,470.84, an unspecified amount of punitive damages, interest, costs, attorneys' fees and such other relief as deemed appropriate by the Arbitrator.

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 13, 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.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

### **AWARD**

After considering the pleadings, 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:

Respondents Citigroup and Grubman are jointly and severally liable to Claimant for compensatory damages in the amount of \$5,470.84.

The Arbitrator has found Respondents Citigroup and Grubman liable to Claimant on the following cause of action: omission to state material facts and conflicts of interest in violation of Chapter 517.301 of the Florida Securities and Investor Protection Act.

The Arbitrator awards Claimant attorneys' fees in an amount to be determined by a court of competent jurisdiction, pursuant to Florida Statute 517, to be paid by Respondents Citigroup and Grubman, jointly and severally.

Any and all claims for relief not specifically addressed herein including costs, interest and punitive damages, 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 = \$ 75.00

**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 member firm and a party.

Member surcharge	= \$325.00
Total Member Fees	= \$325.00

**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:

There were no three-day cancellation fees assessed during these proceedings.

**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.

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:

One (1) Pre-hearing sessions with a single Arbitrator @ \$250.00 per session	= \$ 250.00
Pre-hearing conferences: November 24, 2004 1 session	
Two (2) Hearing sessions @ \$250.00 per session	= \$ 500.00
Hearing Dates: March 15, 2005 2 sessions	
Total Forum Fees	= \$ 750.00

The Arbitrator has assessed forum fees in the amount of \$250.00 to Claimant.

The Arbitrator has assessed forum fees in the amount of \$500.00 to Respondents Citigroup and Grubman, 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 during these proceedings.

**Fee Summary**

Claimant is solely liable for:

Initial Filing Fee	= \$ 75.00
Forum Fees	= \$250.00
Total Fees	= \$325.00
Less payments	= \$325.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Citigroup is solely liable for:

Member Fees	= \$325.00
Total Fees	= \$325.00
Less payments	= \$325.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents Citigroup and Grubman are jointly and severally liable for:

Forum Fees	= \$500.00
Total Fees	= \$500.00
Less payments	= \$ .00
Balance Due NASD Dispute Resolution	= \$500.00

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

**ARBITRATOR**

Gail E. Sasnett-Stauffer, M.S.

- Public Arbitrator, Presiding Chairperson

**Arbitrator's Signature**

/s/

Gail E. Sasnett-Stauffer, M.S.  
Public Arbitrator, Presiding Chairperson

Signature Date

March 23, 2005

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

NO. 005 P. 5/5

**Award Page 4**

**There were no administrative costs incurred during these proceedings.**

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