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

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In the Matter of the Arbitration Between:

Name of the Claimant

Leon H. Toups, Jr., IRA

Case Number: 03-05294

Names of the Respondents

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

Hearing Site: New Orleans, LA

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

**REPRESENTATION OF PARTIES**

For Leon H. Toups, Jr., IRA, 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": Mark L. Parmelee, Esq., Greenberg Traurig, LLP, New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: July 18, 2003.

Amended Statement of Claim filed on or about: July 19, 2004.

Claimant signed the Uniform Submission Agreement: June 4, 2003.

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

Answer to Amended Statement of Claim filed by Respondents on or about: September 21, 2004.

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

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

Joint request to proceed solely on the pleadings ("Joint Motion to Proceed on the Pleadings") filed on or about: March 10, 2005.

**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 51, Section 712(a) of the Louisiana Securities Law; 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 Answers, Respondents denied the allegations made in the Statement of Claim, as amended, and asserted various defenses.

### **RELIEF REQUESTED**

Claimant requested rescissory damages in the amount of \$13,425.60, an unspecified amount of punitive damages, interest, costs, attorneys' fees and such other damages the undersigned arbitrator (the "Arbitrator") deemed appropriate.

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 the 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 March 21, 2004, the Arbitrator issued an order which granted the Joint Motion to Proceed on the Pleadings.

### **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.

Claimant's claims for punitive damages, interest, and attorneys' fees are denied.

Respondents are liable, jointly and severally, and shall pay to Claimant the sum of \$62.50 representing reimbursement of one-half of the claim filing fee previously paid by Claimant to NASD Dispute Resolution.

All other relief requests 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	= \$ 125.00
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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(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	= \$ 425.00
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#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were assessed during these proceedings.

**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 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 panel.

No injunctive relief fees were 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(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: December 20, 2004 1 session	

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Total Forum Fees	= \$ 450.00
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The Arbitrator has assessed \$225.00 of the forum fees to Claimant.

The Arbitrator has assessed \$225.00 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 these proceedings.

**Fee Summary**

Claimant is solely liable for:

Initial Filing Fee	= \$ 125.00
Forum Fees	= \$ 225.00
Total Fees	= \$ 350.00
<u>Less payments</u>	= \$ 350.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$ 425.00
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Total Fees	= \$	425.00
<u>Less payments</u>	= \$	425.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$	225.00
Total Fees	= \$	225.00
<u>Less payments</u>	= \$	0.00
Balance Due NASD Dispute Resolution	= \$	225.00

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

**ARBITRATOR**

W. Patrick Baker, Esq.

Public Arbitrator

**Arbitrator's Signature**

/s/  
W. Patrick Baker, Esq.  
Public Arbitrator

Signature Date

June 28, 2005

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

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Total Fees	= \$	425.00
<u>Less payments</u>	= \$	<u>425.00</u>
Balance Due NASD Dispute Resolution	= \$	0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$	<u>225.00</u>
Total Fees	= \$	225.00
<u>Less payments</u>	= \$	<u>0.00</u>
Balance Due NASD Dispute Resolution	= \$	225.00

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

ARBITRATOR

W. Patrick Baker, Esq.

Public Arbitrator

Arbitrator's Signature



W. Patrick Baker, Esq.  
Public Arbitrator

28 June 2005  
Signature Date

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