

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Christopher F. Carmel, Christopher F. Carmel ACF Nathalie F. Carmel, and Christopher F. Carmel ACF Henry P. Carmel (Claimants) v. Citigroup Global Markets f/k/a Salomon Smith Barney, Inc. and Jack B. Grubman (Respondents)

Case Number: 03-06027

Hearing Site: New York, New York

Nature of the Dispute: Customers v. Member and Associated Person.

REPRESENTATION OF PARTIES

Claimants Christopher F. Carmel ("C. Carmel"), Christopher F. Carmel ACF Nathalie F. Carmel ("C. Carmel ACF N. Carmel"), and Christopher F. Carmel ACF Henry P. Carmel ("C. Carmel ACF H. Carmel") hereinafter collectively referred to as "Claimants" appeared *pro se* through Christopher F. Carmel.

Respondents Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Jack G. Grubman ("J. Grubman") hereinafter collectively referred to as "Respondents": Winnie J. Kuo, Esq., Neal, Gerber & Eisenberg, LLP, Chicago, IL.

CASE INFORMATION

Statement of Claim filed on or about: August 14, 2003.

Claimant C. Carmel signed the Uniform Submission Agreement: August 29, 2003.

Claimant C. Carmel ACF N. Carmel signed the Uniform Submission Agreement: August 29, 2003.

Claimant C. Carmel ACF H. Carmel signed the Uniform Submission Agreement: August 29, 2003.

Joint Statement of Answer filed by Respondents on or about: November 13, 2003.

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

Respondent J. Grubman signed the Uniform Submission Agreement: October 23, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: omission of material facts; breach of fiduciary duty; violations of federal securities laws; and violations of NYSE and NASD rules. Claimants' claim involved shares of WorldCom Inc./WorldCom Group ("WCOM") and WorldCom Inc./New MCI Group ("MCIT").

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$107,359.00, including mark-ups and transaction fees; reimbursement of the costs of arbitration and any other costs the Panel deems appropriate; and punitive damages in the amount of \$107,359.00.

Respondents requested that the Statement of Claim be dismissed in its entirety and with prejudice; and Respondents' attorneys' fees and costs assessed against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondent Grubman has been properly served with the Statement of Claim and received due notice of the hearing and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

The parties have 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, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are dismissed in their entirety.
2. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to 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	= \$300.00
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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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. is a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

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 @ \$450.00	= \$ 900.00
Pre-hearing conferences: April 27, 2004 1 session	
May 27, 2004 1 session	

One (1) Pre-hearing session with Panel @ \$1,125.00	= \$1,125.00
Pre-hearing conference: January 29, 2004 1 session	

Four (4) Hearing sessions @ \$1,125.00	= \$4,500.00
Hearing Dates: June 1, 2004 2 sessions	
June 2, 2004 2 sessions	

Total Forum Fees	= \$6,525.00
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1. The Panel has assessed \$3,262.50 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$3,262.50 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$3,262.50
Total Fees	= \$3,562.50
<u>Less payments</u>	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$2,137.50

2. Respondent Citigroup liable for:

<u>Member Fees</u>	= \$5,200.00
Total Fees	= \$5,200.00
<u>Less payments</u>	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$3,262.50
<u>Total Fees</u>	= \$3,262.50
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$3,262.50

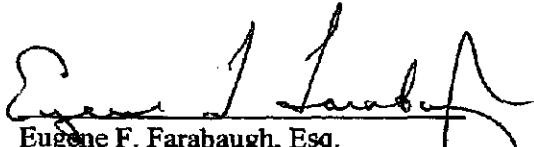
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Eugene F. Farabaugh, Esq.	-	Public Arbitrator, Presiding Chair
Frank M. Suttell	-	Public Arbitrator
Kevin M. Kelly	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument in which is my award.


Eugene F. Farabaugh, Esq.
Public Arbitrator, Presiding Chairperson

June 28, 2004
Signature Date

Frank M. Suttell
Public Arbitrator

Signature Date

Kevin M. Kelly
Non-Public Arbitrator

Signature Date

July 16, 2004
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Eugene F. Farabangh, Esq.	-	Public Arbitrator, Presiding Chair
Frank M. Suttell	-	Public Arbitrator
Kevin M. Kelly	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

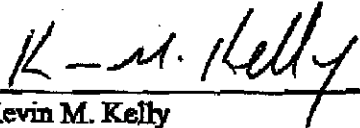
I, the undersigned arbitrator, do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument in which is my award.

Eugene F. Farabangh, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Frank M. Suttell
Public Arbitrator

Signature Date



Kevin M. Kelly
Non-Public Arbitrator



Signature Date

July 16, 2004
Date of Service (For NASD Dispute Resolution use only)