

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Richard Baccaro and Merryl S. Baccaro (Claimants) vs. Citigroup Global Markets, Inc.,
and Jack Grubman (Respondents)

Case Number: 03-06491

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimants Richard Baccaro ("R. Baccaro") and Merryl S. Baccaro ("M. Baccaro") hereinafter collectively referred to as "Claimants": Michael J. Wilner, Esq., Miller Faucher and Cafferty, LLP, Philadelphia, PA.

Respondents Citigroup Global Markets, Inc. ("Citigroup"), and Jack Grubman ("Grubman") hereinafter collectively referred to as "Respondents": Matthew C. Plant, Esq., Bressler Amery and Ross, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: September 8, 2003.

R. Baccaro signed the Uniform Submission Agreement: July 8, 2003.

M. Baccaro signed the Uniform Submission Agreement: July 8, 2003.

Joint Statement of Answer filed by Respondents: November 21, 2003.

Citigroup signed the Uniform Submission Agreement: December 8, 2003.

Grubman signed the Uniform Submission Agreement: December 15, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; breach of fiduciary duty; common law fraud; negligence; failure to supervise; respondeat superior, and NJ Blue Sky Laws. The causes of action relate to the purchase of common stock in WorldCom, Global Crossing and AT&T.

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 \$284,979.00, interest, costs, and all other relief that may be awarded by the Panel.

Respondents requested dismissal of the Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On September 29, 2004, Claimant dismissed with prejudice all claims against Respondent Grubman with the express condition that Respondent Grubman agreed to be available and testify on the first two days of hearings and be available for additional testimony if such testimony was required.

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

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, 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 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
--------------------------	-------------

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 persons at the time of the events giving rise to the dispute. Accordingly, Citigroup Global Markets, Inc., is a party.

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

September 28 & 29, 2004, adjournment by Respondent Citigroup	= \$1,125.00
May 10, 2005, adjournment by Claimants	= Waived
March 9 & 10, 2006, adjournment by Claimants	= \$1,500.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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:

One (1) Decision on discovery-related motion on the papers
with (1) one arbitrator @ \$200.00 = \$ 200.00
Claimants submitted (1) discovery-related motion

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00 per session = \$ 900.00

Pre-hearing conferences: August 2, 2004 1 session
March 6, 2006 1 session

Four (4) Pre-hearing sessions with Panel @ \$1,125.00 per session = \$ 4,500.00
Pre-hearing conferences: February 19, 2004 1 session
September 28, 2004 1 session
November 30, 2005 1 session
March 9, 2006 1 session

Fourteen (14) Hearing sessions with Panel @ \$1,125.00 per session = \$15,750.00
Hearing Dates November 17, 2004 2 sessions
November 18, 2004 2 sessions
November 24, 2004 2 sessions
May 16, 2005 2 sessions
May 17, 2005 2 sessions
July 24, 2006 2 sessions
July 25, 2006 2 sessions

Total Forum Fees = \$21,350.00

1. The Panel has assessed \$10,675.00 of the forum fees, jointly and severally, to the Claimants.
2. The Panel has assessed \$10,675.00 of the forum fees against Citigroup.

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.

1. Claimants requested duplication of 19 tapes at \$15.00 per tape = \$ 285.00
2. Respondent Citigroup requested duplication of 15 tapes at \$15 per tape = \$ 225.00

Fee Summary

1. Claimants are jointly and severally liable for:
Initial Filing Fee = \$ 300.00

Adjournment Fee	= \$ 1,500.00
Administrative Costs	= \$ 285.00
<u>Forum Fees</u>	<u>= \$10,675.00</u>
Total Fees	= \$12,760.00
<u>Less payments</u>	<u>= \$ 1,485.00</u>
Balance Due NASD Dispute Resolution	= \$11,275.00

2. Respondent Citigroup Global Markets, Inc., is solely liable for:

Member Fees	= \$ 5,200.00
Adjournment Fee	= \$ 1,125.00
Administrative Costs	= \$ 225.00
<u>Forum Fees</u>	<u>= \$10,675.00</u>
Total Fees	= \$17,225.00
<u>Less payments</u>	<u>= \$ 5,425.00</u>
Balance Due NASD Dispute Resolution	= \$11,800.00

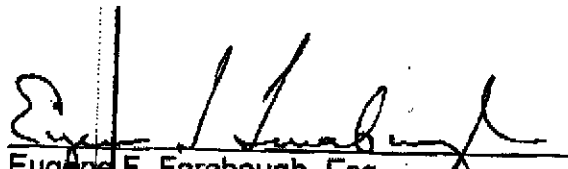
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Eugene F. Farabaugh, Esq.	-	Public Arbitrator, Presiding Chairperson
Gerald H. Grayson	-	Public Arbitrator
Michael Ross	-	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, which is my award.


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

7/31/06
Signature Date

Gerald H. Grayson
Public Arbitrator

Signature Date

Michael Ross
Non-Public Arbitrator

Signature Date

July 31, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

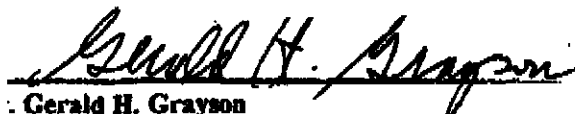
Eugene F. Farsbaugh, Esq.	-	Public Arbitrator, Presiding Chairperson
Gerald H. Grayson	-	Public Arbitrator
Michael Ross	-	Non-Public Arbitrator

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, which is my award.

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

Signature Date



Gerald H. Grayson
Public Arbitrator



Signature Date

Michael Ross
Non-Public Arbitrator

Signature Date

July 31, 2006
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Eugene F. Farabaugh, Esq.	-	Public Arbitrator, Presiding Chairperson
Gerald H. Greyson	-	Public Arbitrator
Michael Ross	-	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, which is my award.

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

Signature Date

Eugene F. Farabaugh, Esq.
Public Arbitrator

Signature Date



Michael Ross
Non-Public Arbitrator

7-31-06

Signature Date

July 31, 2006

Date of Service (For NASD Dispute Resolution use only)