

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Charles H. Schafer, Claimant v. Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc.,
and Jack B. Grubman, Respondents

Case Number: 03-06506

Hearing Site: Las Vegas, Nevada

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

REPRESENTATION OF PARTIES

For Claimant:

James Richard Hooper, Esq.
Hooper & Weiss, L.L.C.
Orlando, Florida

For Respondents:

Mark L. Parmelee, Esq.
Greenberg Traurig, P.A.
New York, New York

CASE INFORMATION

Statement of Claim filed: September 9, 2003

Amended Statement of Claim filed: July 19, 2004

Claimant's Uniform Submission Agreement signed: February 25, 2003

Joint Statement of Answer filed by Respondents Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc. and Jack B. Grubman: November 3, 2003

Amended Joint Statement of Answer filed by Respondents Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc. and Jack B. Grubman: August 27, 2004

Respondent Citigroup Global Markets, Inc.'s Uniform Submission Agreement signed: December 3, 2003

Respondent Jack B. Grubman's Uniform Submission Agreement signed: December 3, 2003

CASE SUMMARY

Claimant's Initial and Amended Statements of Claim alleged breach of fiduciary duty, misrepresentation and omission of material facts, violation of federal and state securities regulations, violation of NASD and NYSE Rules, and liability pursuant to respondeat superior. Claimant's allegations involved transactions in WorldCom stock.

Respondents' Initial and Amended Statements of Answer denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and asserted various affirmative defenses.

The Parties' respective Amended Statement of Claim and Answer were filed pursuant to NASD Code of Arbitration Procedure Rule 10328(a).

RELIEF REQUESTED

Claimant's Initial and Amended Statements of Claim requested complete rescission of Claimant's purchases of WorldCom stock in the amount of \$8,892.50, unspecified punitive damages, pre-judgment interest, and costs, including attorney's fees.

Respondents' Initial and Amended Statements of Answer requested dismissal of the Claimant's Statement of Claim in its entirety, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On or about December 13, 2004, Presiding Arbitrator Jordan H. Bodenstein ruled to decide the above-captioned dispute solely upon the pleadings and evidence filed by the parties in accordance with in accordance with the NASD Code of Arbitration Procedure Rules 10302 and 10324.

AWARD

After considering the pleadings and evidence presented, the Arbitrator decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant's claims are denied in their entirety.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 75.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Citigroup Global Markets, Inc. is a party and the following fees are assessed:

<u>Member Surcharge</u>	= \$ 325.00
Total Member Fees	= \$ 325.00

Forum Fees and Assessments

The Arbitrator assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Arbitrator. The following fees are assessed:

One (1) Pre-hearing conference session with the arbitrator @ \$250.00/session	= \$250.00
Pre-hearing conference: October 19, 2004 1 session	

<u>Fee for Decision on the Papers</u>	= \$250.00
Total Forum Fees	= \$500.00

1. The Arbitrator assessed \$250.00 of the forum fees to Claimant Charles H. Schafer.
2. The Arbitrator assessed \$125.00 of the forum fees to Respondent Citigroup Global Markets, Inc.
3. The Arbitrator assessed \$125.00 of the forum fees to Respondent Jack B. Grubman.

Fee Summary

1. Claimant Charles H. Schafer is charged with the following fees and costs:

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

2. Respondent Citigroup Global Markets, Inc. is charged with the following fees and costs:

Member Fees	= \$ 325.00
Forum Fees	= \$ 125.00
Total Fees	= \$ 450.00
Less payments	= \$(325.00)
Balance Due NASD Dispute Resolution	= \$ 125.00

3. Respondent Jack B. Grubman is charged with the following fees and costs:

Forum Fees	= \$ 125.00
Balance Due NASD Dispute Resolution	= \$ 125.00

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

ARBITRATION PANEL

Jordan H. Bodenstein, Esq.

Public Arbitrator, Presiding Arbitrator

Arbitrator's Signature

Jordan H. Bodenstein, Esq.
Jordan H. Bodenstein, Esq.
Presiding Arbitrator, Public Arbitrator

January 3, 2005
Signature Date

January 3, 2005
Date of Service