
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Marion Frager
Albert S. Frager, TTEE FBO Marion Frager Trust

Case Number: 03-06510

Names of the Respondents

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

Hearing Site: Boca Raton, Florida

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

REPRESENTATION OF PARTIES

For Marion Frager and Albert S. Frager, TTEE FBO Marion Frager Trust, hereinafter collectively referred to as "Claimants": William B. Young, Esq., Hooper & Weiss, LLC, Orlando, Florida.

For Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Jack Grubman ("Grubman"), hereinafter collectively referred to as "Respondents": Ricardo A. Gonzalez, Esq. and Timothy J. Bresnahan, Esq., Greenberg Traurig, P.A., Miami, Florida.

CASE INFORMATION

Statement of Claim filed on or about: September 9, 2003.
Amended Statement of Claim on or about: July 19, 2004.
Claimants signed the Uniform Submission Agreement: June 16, 2003.
Statement of Answer filed by Respondents on or about: November 3, 2003.
Amended Statement of Answer filed by Respondents on or about: August 30, 2004.
Respondent Citigroup signed the Uniform Submission Agreement: December 3, 2003.
Respondent Grubman signed the Uniform Submission Agreement: December 3, 2003.

CASE SUMMARY

Claimants 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 Claimants' investment in WorldCom stock.

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

RELIEF REQUESTED

Claimants requested an arbitration award against Respondents for recessionary damages in the amount of \$6,200.03 (without waiving Claimants' reservation to amend recessionary damages amount prior to the close of evidence), punitive damages in an amount to be determined from the evidence, plus interest, costs, attorneys' fees and such other damages the arbitration panel deemed appropriate.

Respondents requested that Claimants' claims be denied in their entirety, and dismissed with prejudice, with attorneys' fees and costs assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

On or about October 25, 2004, after hearing oral argument, the Arbitrator issued an order which denied Claimants' request that an evidentiary hearing be conducted in this matter and granted Respondents' request that the matter be decided on the papers.

AWARD

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

Claimants' claims are dismissed, with prejudice.

Claimants' requests for punitive damages, interest and attorneys' fees are denied.

Any and all claims for relief not specifically addressed herein 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 = \$ 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, Citigroup is a member firm and a party.

Member surcharge = \$325.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred in this matter.

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:

Three-day cancellation fees were not assessed in this matter.

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.

Injunctive relief fees were not incurred in this matter.

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 session with a single arbitrator @ \$250.00/session	= \$250.00
Pre-hearing conference: October 25, 2004 1 session	

Total Forum Fees	= \$250.00
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The Arbitrator has assessed forum fees of \$125.00 to Claimants, jointly and severally.
The Arbitrator has assessed forum fees of \$125.00 to Respondents, 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.

Administrative costs were not incurred in this matter.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 75.00
<u>Forum Fees</u>	<u>= \$125.00</u>
Total Fees	= \$200.00
<u>Less payments</u>	<u>= \$200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Citigroup is solely liable for:

<u>Member Fees</u>	<u>= \$325.00</u>
Total Fees	= \$325.00
<u>Less payments</u>	<u>= \$325.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$125.00</u>
Total Fees	= \$125.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$125.00

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

ARBITRATOR

Burton Katz, Esq.

- Public Arbitrator, Presiding Chairperson

Arbitrator's Signature

/s/

Burton Katz, Esq.

Public Arbitrator, Presiding Chairperson

November 6, 2004

Signature Date

November 10, 2004

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

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 75.00
Forum Fees	= \$125.00
Total Fees	= \$200.00
Less payments	= \$200.00
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 are jointly and severally liable for:

Forum Fees	= \$125.00
Total Fees	= \$125.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$125.00

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

ARBITRATOR

Burton Katz, Esq.

Public Arbitrator, Presiding Chairperson

Arbitrator's Signature



Burton Katz, Esq.
Public Arbitrator, Presiding Chairperson

Nov. 16, 2004
Signature Date

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