
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Ernest A. Baade, IRA
The Ernest A. Baade Trust

Case Number: 03-06514

Names of the Respondents

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

Hearing Site: Tampa, Florida

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

REPRESENTATION OF PARTIES

For Ernest A. Baade, IRA and The Ernest A. Baade Trust, hereinafter collectively referred to as "Claimants":
Michael B. Lynch, Esq., Hooper & Weiss, LLC, 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": John Boudet, Esq., Greenberg Traurig, P.A., Orlando, Florida.

CASE INFORMATION

Statement of Claim filed on or about: August 28, 2003.

Claimants signed the Uniform Submission Agreement on: April 10, 2003.

Statement of Answer and Affirmative Defenses filed by Respondents on or about: November 5, 2003.

Respondents' Motion to Strike References to Settlement Agreements filed on or about: November 5, 2003.

Claimants' Preliminary Response to Respondents' Motion to Strike filed on or about: March 24, 2004.

Respondent Citigroup signed the Uniform Submission Agreement on: October 21, 2003.

Respondent Grubman signed the Uniform Submission Agreement on: October 20, 2003.

CASE SUMMARY

Claimants alleged the following causes of action: 1) violation of Section 17(a) of the Securities Act of 1933; 2) violation of Section 517.301, Florida Statutes, of the Florida Securities and Investor Protection Act; 3) violation of NASD Rule 2210(d)(1); and 4) breach of fiduciary duty. The causes of action relate to investments in shares of stock in WorldCom.

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

RELIEF REQUESTED

Claimants requested: 1) rescissory damages in the amount of \$50,542.40; 2) punitive damages; 3) interest; 4) costs; 5) attorneys' fees; and 6) such other relief the undersigned arbitrators (the "Panel") deemed just and proper.

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

OTHER ISSUES CONSIDERED AND DECIDED

On or about November 15, 2004, Respondents filed their Motion in Limine to Exclude Evidence. At the evidentiary hearing, the Panel granted the motion in part.

The parties 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 (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims, including statutory claims under Chapter 517, Florida Statutes, are denied in their entirety.
2. Any and all claims or relief, including Claimants' requests for punitive damages and attorneys' fees, 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 will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 225.00

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, Respondent Citigroup is a member firm and a party.

Member surcharge	= \$1,100.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,700.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed.

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:

There were no three-day cancellation fees 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.

There were no injunctive relief fees assessed during these proceedings.

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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00 per session = \$ 450.00	
Pre-hearing conference: September 20, 2004 1 session	
Two (2) Pre-hearing sessions with Panel @ \$750.00 per session = \$1,500.00	
Pre-hearing conferences: March 15, 2004 1 session	
October 25, 2004 1 session	
Three (3) Hearing sessions @ \$750.00 per session = \$2,250.00	
Hearing Dates: November 2, 2004 2 sessions	
November 3, 2004 1 session	

Total Forum Fees = \$4,200.00

The Panel has assessed forum fees in the amount of \$2,100.00 jointly and severally to Claimants.

The Panel has assessed forum fees in the amount of \$2,100.00 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.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	<u>= \$2,100.00</u>
Total Fees	= \$2,325.00
<u>Less payments</u>	<u>= \$ 975.00</u>
Balance Due NASD Dispute Resolution	= \$1,350.00

Respondent Citigroup is solely liable for:

<u>Member Fees</u>	<u>= \$3,550.00</u>
Total Fees	= \$3,550.00
<u>Less payments</u>	<u>= \$3,550.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$2,100.00</u>
Total Fees	= \$2,100.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$2,100.00

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

ARBITRATION PANEL

Stanley Lampert, Esq.	-	Public Arbitrator, Presiding Chairperson
Constantine (Dean) E. Sperantas	-	Public Arbitrator
George E. Bouse	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Stanley Lampert, Esq.
Public Arbitrator, Presiding Chairperson

11/09/04
Signature Date

/s/
George E. Bouse
Non-Public Arbitrator

11/11/04
Signature Date

Dissenting Arbitrator's Signature

/s/
Constantine (Dean) E. Sperantas
Public Arbitrator

11/11/04
Signature Date

11/15/04
Date of Service (For NASD Dispute Resolution office use only)

Nov. 9, 2004 1:57PM NASD

NO. 0084 P. 3

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Stanley Lampert, Esq.

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Public Arbitrator, Presiding Chairperson

Nov. 9, 2004

Signature Date

George E. Bouse

Non-Public Arbitrator

Signature Date

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Constantine (Dean) E. Sperantsas

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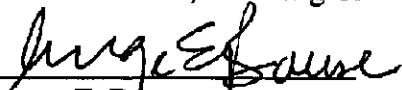
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Public Arbitrator, Presiding Chairperson

Signature Date



George E. Bouse

Non-Public Arbitrator

11-11-04

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Signature Date

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Dean Sperantzas, CFA
Constantine (Dean) E. Sperantzas
Public Arbitrator

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Signature Date

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