

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Aaron Rubin, Trustee FBO Aaron Rubin Revocable Trust, Claimant v. Citigroup Global Markets Inc. and Jack B. Grubman, Respondents

Case Number: 03-06518

Hearing Site: Las Vegas, Nevada

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

**REPRESENTATION OF PARTIES**

For Claimant:

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

For Respondents:

David A. Travin, Esq.  
Greenberg Traurig LLP  
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: January 31, 2003

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

Respondents' Answer to Amended Statement of Claim filed: August 27, 2004

Respondent Citigroup's Uniform Submission Agreement signed: December 3, 2003

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

### **CASE SUMMARY**

Claimant alleged that he filed the above-referenced dispute because of Respondents' omission to state material facts in connection with the offer and sale of WorldCom stock to Claimant. Claimant also alleged the following claims: 1) Violation of Section 17(a) of the Securities Act of 1933; 2) Violation of Chapter 90, Section 570 of the Nevada Uniform Securities Act; 3) Violation of NASD Rule 2210(d)(1), Communications with the Public-General Standards; 4) Breach of Fiduciary Duty; and 5) Respondeat Superior.

Respondents denied Claimant's allegations of wrongdoing and denied any liability to Claimant. Respondents also asserted affirmative defenses.

### **RELIEF REQUESTED**

Claimant requested rescissory damages in the amount of \$11,942.85, punitive damages, interest, costs, attorneys' fees and such other damages deemed appropriate.

Respondents requested that Claimant's Claim be denied in its entirety, and dismissed with prejudice, with attorneys' fees and costs assessed against the Claimant.

### **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 rules 10302 and 10324 of the NASD-DR Code of Arbitration Procedure ("the Code").

### **AWARD**

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

- 1) All claims by Claimant, including the claim for punitive damages, are dismissed.
- 2) Each party shall bear its own costs, including attorney's fees.
- 3) All other relief not expressly granted is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

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

Initial claim filing fee = \$125.00

#### **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 is a party and the following fees are assessed:

Member Surcharge = \$425.00

Total Member Fees = \$425.00

#### **Forum Fees and Assessments**

The Panel 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 Chair/Panel. The following fees are assessed:

(1) Pre-hearing conference session with a single arbitrator @ \$450.00/session = \$450.00

Pre-hearing conference: October 27, 2004 1 session

Fee for Decision on the Papers = \$300.00

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Total Forum Fees = \$750.00

The Arbitrator assessed \$375.00 of the forum fees to Claimant.

The Arbitrator assessed \$187.50 of the forum fees to Respondent Citigroup.

The Arbitrator assessed \$187.50 of the forum fees to Respondent Jack B. Grubman.

**Fee Summary**

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

Initial Filing Fee	= \$ 125.00
<u>Forum Fees</u>	= \$ 375.00
Total Fees	= \$ 500.00
<u>Less Payments</u>	= \$ (575.00)
<b>Refund Due Claimant</b>	<b>= \$ (75.00)</b>

2. Respondent Citigroup is charged with the following fees and costs:

Member Fees	= \$ 425.00
<u>Forum Fees</u>	= \$ 187.50
Total Fees	= \$ 612.50
<u>Less Payments</u>	= \$ (425.00)
<b>Balance Due NASD-DR</b>	<b>= \$ 187.50</b>

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

Forum Fees	= \$ 187.50
<u>Less Payments</u>	= \$ ( 0.00)
<b>Balance Due NASD-DR</b>	<b>= \$ 187.50</b>

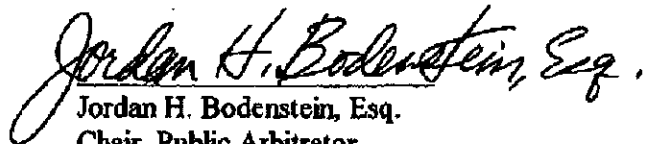
All balances are payable to NASD Dispute Resolution and are payable upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Jordan H. Bodenstein, Esq.

Public Arbitrator, Presiding Chair

Presiding Arbitrator's Signature

  
Jordan H. Bodenstein, Esq.  
Chair, Public Arbitrator

  
Signature Date

12/29/04  
Date of Service