

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Diane Allen and
David Allen JTWROS

Case Number: 03-06527

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 Diane Allen and David Allen JTWROS, hereinafter collectively referred to as "Claimants": Michael B. Lynch, Esq., Hooper & Weiss, L.L.C., 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": Tucker H. Byrd, Esq., Jennifer Tomsen, Esq. and Juan Carlos Real, Esq., Greenberg Traurig, P.A., Orlando, Florida and Bradford D. Kaufman, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: September 9, 2003.

Claimants signed the Uniform Submission Agreement: April 1, 2003.

Statement of Answer filed by Respondents on or about: November 3, 2003.

Respondent Citigroup signed the Uniform Submission Agreement: December 3, 2003.

Respondent Grubman signed the Uniform Submission Agreement: December 3, 2003.

Claimants' Pre-Hearing Brief filed on or about: April 7, 2005.

Respondents' Memorandum of Law on the Issue of Reliance filed on or about: May 9, 2005.

Respondents' Final Arbitration Brief filed on or about: May 9, 2005.

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

RELIEF REQUESTED

Claimants requested rescission of their purchases of WorldCom stock in the amount of \$6,094.85 and punitive damages in an amount to be determined, plus interest, costs, an award of attorneys' fees pursuant to Florida Statute 517 and such other damages the arbitration panel deemed appropriate.

Respondents requested that Claimants' Statement of Claim be denied in its entirety, and dismissed with prejudice, with attorneys' fees and costs assessed against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

On or about December 24, 2003, Claimants filed a notice with NASD Dispute Resolution representing that Claimants had complied with the procedure for opting out of the class action filed in court entitled In Re WorldCom Securities Litigation.

On or about July 8 and 13, 2004, Claimants requested that a hearing be conducted in this matter in lieu of the case being decided on the pleadings submitted. On or about July 16, 2004, Respondents filed their objection to said request. On or about October 29, 2004, the Arbitrator issued an order which denied the request that the matter be decided on the pleadings submitted.

Thereafter, on or about February 25, 2005, Claimants filed a request that this case be permitted to proceed solely on the pleadings submitted. On or about March 4, 2005, Respondents informed NASD Dispute Resolution that they had no objection to said request. On or about March 11, 2005, the Arbitrator issued an order which granted the request that this case be decided on the pleadings submitted.

The parties have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings and the record in this matter, the undersigned arbitrator (the "Arbitrator") has decided in full and final resolution of the issues submitted for determination as follows:

The claims of Claimants are dismissed in their entirety.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages and claims for relief pursuant to Chapter 517.301 of the Florida Securities and Investor Protection Act, 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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge = \$325.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were assessed during these proceedings.

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:

No three-day cancellation fees were 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.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator @ \$250.00 = \$500.00

Pre-hearing conferences:	September 27, 2004	1 session
	October 29, 2004	1 session

Total Forum Fees	= \$500.00
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The Arbitrator has assessed \$250.00 of the forum fees to Claimants, jointly and severally.
The Arbitrator has assessed \$250.00 of the forum fees to Respondent 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 are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were assessed during these proceedings.

FEE SUMMARY

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$75.00
Forum Fees	= \$250.00
Paper Case Record Fee	= \$125.00

Total Fees	= \$450.00
Less payments	= \$325.00

Balance Due NASD Dispute Resolution	= \$125.00
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Respondent Citigroup is solely liable for:

Member Fees	= \$325.00
Forum Fees	= \$250.00
Paper Case Record Fee	= \$125.00

Total Fees	= \$700.00
Less payments	= \$325.00

Balance Due NASD Dispute Resolution	= \$375.00
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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATOR

James Barry Wright

- Public Arbitrator, Presiding Chair

Arbitrator's Signature

_____/S/_____
James Barry Wright
Public Arbitrator, Presiding Chair

December 13, 2005
Signature Date

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

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 are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were assessed during these proceedings.

SEE SUMMARY

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$75.00
Forum Fees	= \$250.00
Paper Case Record Fee	= \$125.00

Total Fees	= \$450.00
Less payments	= \$325.00

Balance Due NASD Dispute Resolution	= \$125.00
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Respondent Citigroup is solely liable for:

Member Fees	= \$325.00
Forum Fees	= \$250.00
Paper Case Record Fee	= \$125.00

Total Fees	= \$700.00
Less payments	= \$325.00

Balance Due NASD Dispute Resolution	= \$375.00
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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATOR

James Barry Wright

Public Arbitrator, Presiding Chair

Arbitrator's Signature

James Barry Wright
Public Arbitrator, Presiding Chair

12/13/05
Signature Date

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

NASD DISPUTE RESOLUTION, INC.

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IN THE MATTER OF:

Diane and David Allen

Claimant

NASD CASE # 03-6527

-And-

Citigroup Global Markets, Inc., and
Jack Grubman

Respondents
-----X

ORDER

The Panel has decided and determined in full and final resolution of the issues submitted for resolution as follows:

- 1) The claims of the Claimants are DISMISSED in their entirety;
- 2) All requests for punitive damages are DENIED;
- 3) All other relief request are DENIED;
- 4) NASD Dispute Resolution shall retain the filing fee that Claimant deposited previously;
- 5) All claims regarding violations of Florida State Statute 517 are DENIED.

I, James Barry Wright, do hereby affirm, upon my oath as arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.

AMENDED THIS 13th DAY OF DECEMBER 2005

James Barry Wright
James B. Wright
Sole Arbitrator