
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Irma Steinberg, TTEE

Case Number: 03-06530

Names of the Respondents

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

Jack B. Grubman

Hearing Site: Boca Raton, Florida

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

REPRESENTATION OF PARTIES

For Irma Steinberg TTEE ("Steinberg"), hereinafter referred to as "Claimant": Eduardo Rodriguez, 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": Janna S. Nugent, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

CASE INFORMATION

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

Claimant signed the Uniform Submission Agreement: March 27, 2003.

Statement of Answer filed by Respondents on or about: November 10, 2003.

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

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

Amended Statement of Claim filed by Claimant on or about: August 4, 2004.

Answer to Amended Statement of Claim filed by Respondents on or about: November 4, 2004.

CASE SUMMARY

Claimant 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 Claimant's investment in WorldCom stock.

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

RELIEF REQUESTED

Claimant requested rescissionary damages in the amount of \$11,062.43, an unspecified amount of punitive damages, interest, costs, attorneys' fees and such other relief as deemed appropriate by the Arbitrator.

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

OTHER ISSUES CONSIDERED AND DECIDED

On or about January 5, 2004, Claimant filed a notice with NASD Dispute Resolution representing that Claimant had complied with the procedure for opting out of the class action filed in court, entitled *In Re WorldCom Securities Litigation*.

On or about September 9, 2003, Claimant filed the Statement of Claim and requested that, in lieu of an evidentiary hearing, a decision be rendered on the papers. During the initial telephonic pre-hearing conference, on or about October 20, 2004, Claimant made an ore tenus motion to convert this case from a case decided on the pleadings to a hearing case, to which Respondents objected. On or about October 20, 2004, the Arbitrator issued an order that required Claimant to file a motion to convert by November 2, 2004, with a response due from Respondent by November 12, 2004. On or about December 15, 2004, the Arbitrator denied Claimant's motion.

AWARD

After considering the pleadings and the testimony and evidence presented at the pre-hearing, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

Claimant's claims are denied in their entirety.

Any and all claims for relief not specifically addressed herein, including Claimant's claims for relief pursuant to Section 517.301 of the Florida Securities and Investor Protection Act and Claimant's request for punitive damages, 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 = \$125.00

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 persons at the time of the events giving rise to the dispute. Accordingly, Respondent Citigroup is a member firm and a party.

No member fees were assessed in this matter.

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournments were requested 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 Arbitrator.

Injunctive relief fees were not assessed 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:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00 /session	= \$900.00
Pre-hearing conferences:	
October 20, 2004	1 session
December 7, 2004	1 session
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Total Forum Fees	= \$900.00

The Arbitrator has assessed the total forum fees of \$900.00 to Claimant.

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.

There were no administrative costs incurred in this matter.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 125.00
Forum Fees	= \$ 900.00
Total Fees	= \$1,025.00
Less Payments	= \$ 575.00
Balance Due NASD Dispute Resolution	= \$ 450.00

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

ARBITRATOR

Leonard M. Cusano

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Public Arbitrator, Presiding Chairperson

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Arbitrator's Signature

/s/
Leonard M. Cusano
Public Arbitrator, Presiding Chairperson

December 17, 2004
Signature Date

December 20, 2004
Date of Service (For NASD Dispute Resolution office use only)

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Arbitrator's Signature



Leonard M. Cusano
Public Arbitrator, Presiding Chairperson

12/17/04
Signature Date

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