
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Shirley J. Wells, Trustee
FBO Shirley J. Wells

Case Number: 03-06548

Name of the Respondents
Citigroup Global Markets, Inc. and
Jack B. Grubman

Hearing Site: St. Louis, Missouri

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

REPRESENTATION OF PARTIES

Claimant, Shirley J. Wells, Trustee FBO Shirley J. Wells, hereinafter referred to as "Claimant": Douglas H. Glick, Esq., Law Offices of Douglas H. Glick, P.A., located in Orlando, FL.

Respondents, Citigroup Global Markets, Inc. ("Citigroup") and Jack B. Grubman ("Grubman"), hereinafter collectively referred to as "Respondents": Bradford D. Kaufman, Esq., Greenberg Traurig, P.A., located in West Palm Beach, FL.

CASE INFORMATION

Statement of Claim filed on September 5, 2003. Claimant signed the Uniform Submission Agreement on April 1, 2003.

Statement of Answer filed by Respondents Citigroup and Grubman on November 10, 2003. Respondent Citigroup signed the Uniform Submission Agreement on December 3, 2003. Respondent Grubman signed the Uniform Submission Agreement on December 3, 2003.

Claimant filed a Reply to Respondents' Answer to Statement of Claim on November 21, 2003. Respondents filed a Supplement to their Answer and Reply to Claimant's Reply to Respondents' Answer to Statement of Claim on January 16, 2004. Claimant filed a Response to Respondents' Supplement and Reply on January 20, 2004. Respondent then filed a Reply to Claimant's Response on January 29, 2004.

Claimant filed a Motion to Supplement Exhibits and Motion to Amend the Statement of Claim on March 22, 2004. Respondents filed their Opposition to Claimant's Motion to Amend on March 31, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: omission to state material facts. The causes of action relate to WorldCom stock. Claimant alleged that Respondents violated each of the following: Section 17(a) of the Securities Act of 1933, Chapter 517.301 of the Florida Securities and Investor Protection Act, NASD Rule 2210(d)(1) and New York Stock Exchange Rule 202.02. Claimant alleges that Respondents breach their fiduciary duty, and omitted to state material fact in connection with the offer and sale of WorldCom stock. Claimant additionally alleges that Respondent Citigroup is liable for the unlawful and negligent acts of its representative, Respondent Grubman, under the doctrine of respondeat superior. Claimant maintained that due to Respondents' actions, their trust account suffered financial losses.

Unless specifically admitted in its Answer, Respondents Citigroup and Grubman denied the allegations made in the Statement of Claim and asserted the following defenses:

1. The Statement of Claim fails to state a claim upon which relief may be granted.
2. Claimant has failed to set forth the relevant facts concerning her claim, as required by NASD Rule 10302(b).
3. Claimant was fully advised of and understood the nature of the investments.
4. Claimant had full, complete, accurate and contemporaneous knowledge of the transactions complained of in the Statement of Claim.
5. The claims asserted in the Statement of Claim are barred by the doctrines of waiver and estoppel. Claimant directed, approved, participated in, and ratified the transactions that allegedly resulted in Claimant's losses.
6. Throughout the period Claimant maintained her accounts at Citigroup, she received trade confirmations and account statements in a timely fashion indicating the securities purchased, sold, or transferred, as well as the net worth and quantity of securities for her account. After receiving the same, Claimant continued dealing with Citigroup without complaining of the positions in or status of their accounts. Claimant's acts constitute a ratification and waiver of any alleged wrongdoing by Citigroup or Grubman, thus precluding their recovery in this action.
7. Claimant failed to exercise due diligence and timely disaffirm the transactions that allegedly gave rise to Claimant's losses.
8. To the extent Claimant has incurred any damages, which Respondents deny, such damages were not proximately or legally caused by any act or omission of Respondents or any of their agents, but by general economic conditions, competition faced by the issuer, the issuer's own actions, including the issuer's misleading financial reporting, and other events and conditions outside the control of Respondents.
9. Claimant's losses were proximately caused by Claimant's own decisions, conduct and/or negligence, and not by any acts or omissions of Respondents. The claims are, therefore, barred in whole or in proportion to the extent to which Claimant's negligence contributed to any losses incurred by Claimant.
10. The Statement of Claim is barred by Claimant's assumption and acceptance of the risk of loss regarding each of the investments in Claimant's account.
11. To the extent Claimant has incurred any damages, which Respondents deny, the Statement of Claim is barred because Claimant failed to mitigate those damages.
12. Claimant's contractual relationship with Respondents bars Claimant's tort claims as a matter of law.

13. Claimant may not recover because Respondents acted at all times in good faith and with reasonable basis and exercised reasonable diligence.
14. Claimant has failed to allege fraud with the requisite particularity.
15. Claimant's alleged damages are speculative and not legally cognizable.
16. Claimant's claims are barred by the doctrine of laches.
17. Claimant is a member of a putative class in pending court actions and Claimant's claims are encompassed in those actions.
18. Claimant has not sufficiently pleaded - and is not entitled to - punitive damages.

RELIEF REQUESTED

Claimant requested \$21,893.25 in compensatory damages, unspecified amount in punitive damages, interest; costs, attorney's fees and such other damages the arbitration Panel deems appropriate.

Respondents Citigroup and Grubman requested denial and dismissal of the Statement of Claim in its entirety, attorney's fees and costs.

OTHER ISSUES CONSIDERED AND DECIDED

On October 29, 2004, Claimant requested, with no objection from the Respondents, that this matter be decided on the pleadings. The Arbitrator granted Claimant's request.

AWARD

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

1. Any and all claims asserted by Claimant, Shirley J. Wells, are denied and dismissed in their entirety.
2. Any and all requests for attorneys' fees are denied.
3. Except as otherwise specified herein, parties shall bear their own costs, including attorneys' fees.
4. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to 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 person at the time of the events giving rise to the dispute. Accordingly, Citigroup Global Markets, Inc. is a party to this proceeding and is assessed the following fees:

Member surcharge = \$ 425.00

FEES SUMMARY

1. Claimant, Shirley J. Wells, is solely liable for:

Initial Filing Fee = \$ 125.00

Less payments = \$ 425.00

Refund Due NASD Dispute Resolution = \$ 300.00

2. Respondent, Citigroup Global Markets, Inc. is solely liable for:

Member Fees = \$ 425.00

Less payments = \$ 425.00

Balance Due NASD Dispute Resolution = \$ 0.00

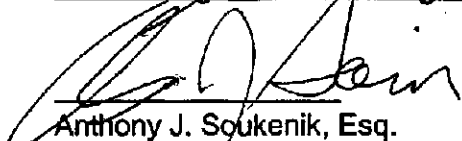
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Anthony J. Soukenik, Esq.

- Public Arbitrator, Presiding Chairperson

Concurring Arbitrators' Signature


Anthony J. Soukenik, Esq.
Public Arbitrator, Presiding Chairperson

8/18/05
Signature Date

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

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- Public Arbitrator, Presiding Chairperson

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/s/ Anthony J. Soukenik, Esq.

Anthony J. Soukenik, Esq.

Public Arbitrator, Presiding Chairperson

8/18/05

Signature Date

8/22/05

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