
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Edwin Rand

Case Number: 04-01034

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

Hearing Site: Boca Raton, FL

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

REPRESENTATION OF PARTIES

For Edwin Rand ("Rand"), hereinafter referred to as "Claimant": Michael B. Lynch, Hooper & Weiss, LLC, Orlando, Florida and Marshall P. Richer and Joel S. Finkelstein, Esq., Finkelstein & Partners, Albany, New York.

For Citigroup Global Markets, Inc. ("CGMI") and Jack B. Grubman ("Grubman"), hereinafter collectively referred to as "Respondents": Tucker H. Byrd, Esq., Greenberg Traurig, Orlando, Florida.

CASE INFORMATION

Statement of Claim filed on or about: February 13, 2004.

Claimant signed the Uniform Submission Agreement: October 20, 2003.

Statement of Answer filed by Respondents on or about: April 30, 2004.

Respondent CGMI signed the Uniform Submission Agreement: March 29, 2004.

Respondent Grubman signed the Uniform Submission Agreement: April 2, 2004.

Memorandum in Response to Respondents' Answer filed by Claimant on or about: May 25, 2004.

Motion in Limine to Exclude Evidence of Settlements and Other Inadmissible Documents filed by Respondents on or about: May 18, 2005.

Response to Motion in Limine filed by Claimant on or about: May 18, 2005.

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 and asserted various defenses.

RELIEF REQUESTED

Claimant requested rescissory damages in the amount of \$111,970.00, punitive damages in the amount of \$100,000.00, plus interest, costs, attorneys' fees and such other relief as deemed appropriate.

Respondents requested that Claimant's Statement of Claim 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 December 24, 2003, 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*.

By Order dated June 1, 2005, the undersigned arbitrators (the "Panel") granted Respondents' Motion in Limine with respect to settlement agreements, Articles Discussing Settlements and the WorldCom DVD and denied Respondents' Motion in Limine with regard to WorldCom Bankruptcy Examiner Reports and the SEC Amicus Brief.

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

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, (and the post-hearing submissions) the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are liable, jointly and severally, and shall pay to Claimant the sum of \$111,970.00 in compensatory damages. Damages are awarded based upon the violations of Florida Statutes Sections 517.301 and 517.211.
2. Respondents are liable, jointly and severally, and shall pay to Claimant interest from June 30, 1999 until the date of payment of the Award on the sum of \$88,233.00 at the Florida statutory rate. Respondents are also liable, jointly and severally, and shall pay to Claimant interest from January 14, 2000 until the date of payment of the Award on the remaining balance of \$23,737.00 at the Florida statutory rate.
3. Claimant's claims for relief pursuant to Florida Statutes Chapter 517 are specifically granted.
4. Respondents are liable, jointly and severally, and shall pay to Claimant, attorney's fees in an amount to be determined by a court of competent jurisdiction. Attorney's fees are awarded pursuant to Florida Statutes Chapter 517.
5. All parties shall bear their respective costs.

6. Any and all claims for relief not specifically addressed herein, including 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 = \$300.00

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 CGMI is a member firm and a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred 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 incurred 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 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 = \$ 450.00
Pre-hearing conference: October 29, 2004 1 session

One (1) Pre-hearing session with the Panel @ \$1,125.00 = \$1,125.00
Pre-hearing conference: July 26, 2004 1 session

Two (2) Hearing sessions with the Panel @ \$1,125.00 = \$2,250.00
Hearing Date: June 7, 2005 2 sessions
Total Forum Fees = \$3,825.00

The Panel has assessed \$1,912.50 of the forum fees to Claimant.

The Panel has assessed \$1, 912.50 of the forum fees 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 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 incurred during these proceedings.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= <u>\$1,912.50</u>
Total Fees	= \$2,212.50
<u>Less payments</u>	= <u>\$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$ 787.50

Respondent CGMI is solely liable for:

<u>Member Fees</u>	= <u>\$5,200.00</u>
Total Fees	= \$5,200.00
<u>Less payments</u>	= <u>\$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= <u>\$1,912.50</u>
Total Fees	= \$1,912.50
<u>Less payments</u>	= <u>\$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$1,912.50

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

ARBITRATION PANEL

Roy B. Gonas, Esq.	-	Public Arbitrator, Presiding Chairperson
Mark C. Perry, Esq.	-	Public Arbitrator
Ralph H. Emer	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Roy B. Gonas, Esq.
Public Arbitrator, Presiding Chairperson

June 10, 2005
Signature Date

/s/
Mark C. Perry, Esq.
Public Arbitrator

June 10, 2005
Signature Date

/s/
Ralph H. Emer
Non-Public Arbitrator

June 11, 2005
Signature Date

June 13, 2005
Date of Service (For NASD Dispute Resolution office use only)


No. 0422 P. 7/7

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Roy B. Gonias, Esq.	-	Public Arbitrator, Presiding Chairperson
Mark C. Petry, Esq.	-	Public Arbitrator
Ralph H. Emer	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Roy B. Gonias, Esq.
Public Arbitrator, Presiding Chairperson



Signature Date

Mark C. Petry, Esq.
Public Arbitrator

Signature Date

Ralph H. Emer
Non-Public Arbitrator

Signature Date

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

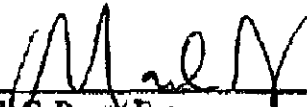
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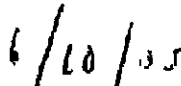
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Public Arbitrator, Presiding Chairperson



Mark C. Perry, Esq.
Public Arbitrator

Signature Date



Signature Date

Ralph H. Emer
Non-Public Arbitrator

Signature Date

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Ralph H. Emer	-	Non-Public Arbitrator

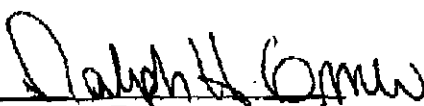
Concurring Arbitrators' Signatures

Roy B. Gonas, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Mark C. Perry, Esq.
Public Arbitrator

Signature Date



Ralph H. Emer
Non-Public Arbitrator

06/11/05

Signature Date

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