
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Charles P. Steuber, Trustee for the Amended and
Restated Charles P. Steuber 1999 Trust U/A/D 8/20/99

Case Number: 04-03744

Names of the Respondents

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

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Charles P. Steuber, Trustee for the Amended and Restated Charles P. Steuber 1999 Trust U/A/D 8/20/99, hereinafter referred to as "Claimant": Mark A. Tepper, Esq., Mark A. Tepper, P.A., Fort Lauderdale, Florida.

For Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney Inc., hereinafter referred to as "Respondent": Holly Skolnick, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: May 28, 2004.

Claimant signed the Uniform Submission Agreement: May 20, 2004.

Statement of Answer filed by Respondent on or about: July 16, 2004.

Respondent signed the Uniform Submission Agreement: June 30, 2004.

Motion in Limine to Exclude Evidence of Settlement Agreements and Related Documents filed by Respondent on or about: April 19, 2005.

Motion in Limine to Exclude the Testimony of Joseph C. Long filed by Respondent on or about: April 26, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: 1) fraud; 2) failure to disclose; 3) violation of Florida Statutes, Chapters 517.301 and 517.211; 4) intentional misconduct or gross negligence; 5) breach of fiduciary duty; 6) misrepresentations and omissions; 7) failure to supervise; and, 8) respondeat superior. The causes of action relate to the purchase of WorldCom stock in Claimant's account.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$6,100,000.00, punitive damages in the sum of \$2,000,000.00 pursuant to Florida Statutes, Section 768.73(1)(b)1&2, together with a finding, pursuant to Florida Statutes, Section 768.72(2)(a)&(b) and/or (3), that Respondent's fraudulent recommendations to Claimant constituted intentional misconduct or gross negligence and that Respondent's wrongful conduct was motivated solely by financial gain and the high likelihood of injury from Respondent's wrongful conduct was known by the managing agent, director and officer, or, in the alternative, punitive damages in the sum of \$500,000.00, pursuant to Florida Statutes, Section 768.73(1)(b)1&2, together with a finding pursuant to Florida Statutes, Section 768.72(2)(a)&(b) that Respondent's fraudulent recommendations to Claimant constituted misconduct or gross negligence; attorney's fees pursuant to violation of Florida Statutes 517.301 and 517.211 in an amount to be determined by a court of competent jurisdiction; costs, filing and forum fees and such other and further relied as this Panel deemed fair and just.

Respondent requested that the Statement of Claim be denied in its entirety and dismissed, with prejudice, and for costs and attorneys' fees to be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

During the evidentiary hearing for this matter, Claimant made a Motion for Sanctions against Respondent for discovery abuse. The Panel denied this motion. In addition, the Panel denied Respondent's Motion to Exclude the Testimony of Joseph Long. Respondent's Motion to Exclude Evidence of Settlement Agreements and Related Documents was not ruled on and considered moot by the Panel.

The parties have agreed that the Award in this matter may be entered in counterpart copies or that a signed handwritten Award may be entered.

AWARD

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

Respondent is found liable for breach of fiduciary duty and lack of supervision and shall pay to Claimant compensatory damages in the amount of \$400,000.00.

Respondent is liable and shall reimburse Claimant the claim filing fee previously paid by Claimant to NASD Dispute Resolution in the amount of \$600.00.

Any and all claims for relief not specifically addressed herein, including Claimant's requests for relief pursuant to Florida Statutes, Chapter 517, punitive damages and the parties' requests for attorneys' fees, 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 = \$ 600.00

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 is a party to this dispute and was a member of NASD at the time the following fees were assessed:

Member surcharge = \$3,350.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$5,500.00

Adjournment Fees

No requests for adjournments were filed in this matter.

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 cancellation fees were assessed in this matter.

Injunctive Relief Fees

No injunctive relief fees were incurred during this proceeding.

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:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00 = \$ 900.00

Pre-hearing conferences: February 15, 2005 1 session
April 5, 2005 1 session

Five (5) Pre-hearing sessions with the Panel @ \$1,200.00 = \$ 6,000.00

Pre-hearing conferences: October 12, 2004 1 session
March 24, 2005 1 session
March 25, 2005 1 session
April 4, 2005 1 session
April 27, 2005 1 session

Twelve (12) Hearing sessions with the Panel @ \$1,200.00 = \$14,400.00

Hearing Dates:	April 20, 2005	2 sessions
	April 21, 2005	2 sessions
	April 22, 2005	2 sessions
	April 25, 2005	2 sessions
	April 26, 2005	2 sessions
	May 5, 2005	2 sessions

Total Forum Fees = \$21,300.00

The Panel has assessed \$10,650.00 of the forum fees to Claimant.

The Panel has assessed \$10,650.00 of the forum fees to Respondent.

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 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 this proceeding.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 600.00
<u>Forum Fees</u>	= \$ 10,650.00
Total Fees	= \$ 11,250.00
<u>Less payments</u>	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 9,450.00

Respondent is solely liable for:

Member Fees	= \$ 9,600.00
<u>Forum Fees</u>	= \$ 10,650.00
Total Fees	= \$ 20,250.00
<u>Less payments</u>	= \$ 9,600.00
Balance Due NASD Dispute Resolution	= \$ 10,650.00

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

ARBITRATION PANEL

William J. Callahan, CPA

J. Philip Knight

Kathy N. Novick

-	Public Arbitrator, Presiding Chairperson
-	Public Arbitrator
-	Non-Public Arbitrator

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Concurring Arbitrators' Signatures

/s/

William J. Callahan, CPA

Public Arbitrator, Presiding Chairperson

05/06/05

Signature Date

/s/

J. Philip Knight

Public Arbitrator

05/07/05

Signature Date

/s/

Kathy N. Novick

Non-Public Arbitrator

05/06/05

Signature Date

05/09/05

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

FROM : NASD

FAC NO. 15614474915

May 06 2005 09:32AM P6

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Concurring Arbitrators' Signatures

Wm J Callahan
William J. Callahan, CPA
Public Arbitrator, Presiding Chairperson

May 6, 2005
Signature Date

J. Philip Knight
Public Arbitrator

Signature Date

Kathy N. Novick
Non-Public Arbitrator

Signature Date

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

FROM :

FAX NO. :

May. 09 2005 09:49AM P1

NASD Dispute Resolution

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Concurring Arbitrators' Signatures

William J. Callahan, CPA

Public Arbitrator, Presiding Chairperson



J. Philip Knight

Public Arbitrator

Signature Date

May 7, 2005

Signature Date

Kathy N. Novick

Non-Public Arbitrator

Signature Date

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

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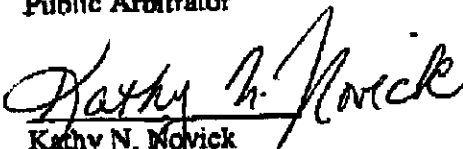
Concurring Arbitrators' Signatures

William J. Callahan, CPA
Public Arbitrator, Presiding Chairperson

Signature Date

J. Philip Knight
Public Arbitrator

Signature Date


Kathy N. Novick
Non-Public Arbitrator

5-6-05
Signature Date

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