
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Irving Steinberg and Shirley
Steinberg JTWROS

Case Number: 04-03778

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 Irving Steinberg and Shirley Steinberg JTWROS, hereinafter collectively referred to as "Claimants": Douglas H. Glicken, Esq., Law Office of Douglas H. Glicken, P.A., 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": John D. Perry, Greenberg Traurig, P.A., Boca Raton, Florida.

CASE INFORMATION

Statement of Claim filed on or about: May 26, 2004.

Claimants signed the Uniform Submission Agreement: January 13, 2004.

Statement of Answer filed by Respondents on or about: September 27, 2004.

Respondents did not file executed Uniform Submission Agreements.

Reply to Respondents' Answer and Preliminary Response to Respondents' Motion to Dismiss and Motion to Strike filed by Claimants on or about: September 29, 2004.

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); 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 and in their Statement of Answer, asserted a motion to dismiss on the following bases: there is no private right of action under Section 17(a) of the Securities Act of 1933; Claimants have not pled any material misrepresentation or omission or

actual or justifiable reliance; Claimants have not alleged the existence of a fiduciary duty, breach thereof or damages proximately caused thereby; and Claimants have not established any underlying wrongdoing by any employee of Respondent Citigroup.

In response to the motion to dismiss in Respondents' Statement of Answer, Claimants denied the assertions therein.

RELIEF REQUESTED

Claimants requested rescissory damages in the amount of \$4,119.69, punitive damages, interest, cost, attorney's fees and any other relief deemed just and proper.

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

OTHER ISSUES CONSIDERED AND DECIDED

On or about January 21, 2005, the parties submitted a request that the Arbitrator issue an Award solely on the pleadings submitted. On or about February 17, 2005, the Arbitrator issued an order granting the parties' request and directing the parties to submit any additional pleadings within 10 days. On or about February 25, 2005, Claimants notified NASD Dispute Resolution that they were not submitting any additional pleadings. On or about February 28, 2005, Respondents filed an Arbitration Brief.

AWARD

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

Claimants' claims are denied in their entirety.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages and Claimants' claim for relief pursuant to Section 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 = \$ 50.00

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. In this matter, the member firm Citigroup Global Markets, Inc. is a party.

Member fees were not assessed in this matter.

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

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 three-day cancellation fees were incurred 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 Panel.

No injunctive relief fees were incurred 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:

One (1) Pre-hearing session with a single arbitrator @ \$125.00	= \$ 125.00
Pre-hearing conference: December 6, 2004 1 session	
Total Forum Fees	= \$ 125.00

The Arbitrator has assessed the total forum fees of \$125.00 jointly and severally to the Claimants.

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 in this matter.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 50.00
<u>Forum Fee</u>	<u>= \$ 125.00</u>
Total Fees	= \$ 175.00
<u>Less payments</u>	<u>= \$ 175.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

ARBITRATOR

David P. Slater, Esq.

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Public Arbitrator, Presiding Chairperson

Arbitrator's Signature

/s/

03/17/05

David P. Slater, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

03/17/05

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

MAR. 17. 2005 2:36PM NASD

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ARBITRATOR

David P. Slater, Esq.

- Public Arbitrator, Presiding Chairperson

Arbitrator's Signature



David P. Slater, Esq.

Public Arbitrator, Presiding Chairperson

3/17/05
Signature Date

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