

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Eva E. Pedrazzini TTEE FBO

Eva E. Pedrazzini

Case Number: 04-04203

Names of the Respondents

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

Hearing Site: Tampa, Florida

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

REPRESENTATION OF PARTIES

For Eva E. Pedrazzini TTEE FBO Eva E. Pedrazzini, hereinafter referred to as "Claimant":
Douglas H. Glicken, Esq., Orlando, Florida and James Richard Hooper, Esq., Hooper &
Weiss, L.L.C., 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":
Tucker H. Byrd, Esq. and Clay A. Deatherage, Esq., Greenberg Traurig, P.A., Orlando,
Florida and Bradford D. Kaufman, Esq., Greenberg Traurig, P.A., West Palm Beach,
Florida.

CASE INFORMATION

Statement of Claim filed on or about: June 11, 2004.

Claimant's Reply to Respondents' Answer to Statement of Claim and Claimant's Preliminary
Response to Respondents' Motion to Dismiss and Respondents' Motion to Strike filed on or about:
August 12, 2004.

Claimant signed the Uniform Submission Agreement: September 24, 2003.

Statement of Answer filed by Respondents on or about: August 6, 2004.

Respondent Citigroup signed the Uniform Submission Agreement: July 14, 2004.

Respondent Grubman signed the Uniform Submission Agreement: July 17, 2004.

Respondents' Motion to Strike Claimant's August 12, 2004 Reply to Respondents' Answer to
Statement of Claim and Claimant's Preliminary Response to Respondents' Motion to Dismiss and
Respondents' Motion to Strike filed on or about: September 24, 2004.

Claimant's Response to Respondents' Motions to Strike filed on or about: October 11, 2004.

Motion in Limine to Exclude Evidence of Settlements and Other Inadmissible Documents filed on
or about: March 29, 2005.

Claimant's Response to Motion in Limine to Exclude Evidence of Settlements and Other
Inadmissible Documents filed on or about: March 31, 2005.

Respondents' Memorandum of Law on Issue of Reliance filed on or about: March 29, 2005.

Claimant's Post-Hearing Memorandum of Law on Fiduciary Duty after Stock is Already Purchased
filed: April 29, 2005.

Respondent's Post-Hearing Memorandum of Law on the Issue of Holder's Claims was received after the April 29, 2005, filing deadline. No explanation for the delay in filing was offered. I therefore decline to consider that pleading.

CASE SUMMARY

Claimant asserted the following causes of action: violation of Section 17(a) of the Securities Act of 1933; violation of Chapter 517.301 of the Florida Securities and Investor Protection Act; violation of NASD Rule 2210(d)(1), Communications With the Public-General Standards; breach of Respondents' fiduciary duty to Claimant as investors/customers; and, respondeat superior. The causes of action relate to Claimant's purchase of 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 of \$32,703.76, punitive damages, interest, costs, attorneys' fees, and such other damages the arbitration panel 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

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 (if any), the undersigned arbitrator (the "Arbitrator") has decided in full and final resolution of the issues submitted for determination as follows:

All claims are denied for the following reasons. This was a managed account. Consequently, Respondents had a continuing duty to monitor the investments in the account. The manager, Donald Sarbecker, relied on a number of different resources, not just or even primarily on the research reports prepared by Respondent Grubman. Moreover, had the omitted information been included in the research reports, it would have signaled the possibility of bias in the reports, but would not have been likely to change the investment decision or induce Mr. Sarbecker to sell the stock out of Claimant's account. Accordingly, as to Mr. Sarbecker's decisions while managing the account, the omitted information is not material. Claimant credibly testified she would not have wanted to own the stock had she known of the omitted information, but I cannot conclude she ever read any of the reports, and thus as to her personally I find no reliance. There is no evidence the research reports contained any affirmative misstatements related to any information available to Mr. Grubman, nor is there any evidence Mr. Grubman's personal views different from the opinions expressed in the reports. Finally, the research reports, whether complete or incomplete, did not

cause the decline in the value of the market in general or WorldCom stock in particular.

Because the parties did not agree to submit attorney's fees to determination by the tribunal, I defer to any court of competent jurisdiction the determination as to any parties' entitlement to or the amount of a reasonable attorney's fee. Expungement was not requested and is not warranted. 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	= \$175.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$875.00
Pre-hearing process fee	= \$750.00
Hearing process fee	= \$1,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred 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(s), including a pre-hearing conference with the arbitrator(s), 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: November 22, 2004 1 session	
Two (2) Hearing sessions @ \$450.00	= \$900.00
Hearing Date: April 18, 2005 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$1,350.00

The Arbitrator has assessed \$450.00 of the forum fees to Claimant.

The Arbitrator has assessed \$900.00 of the forum fees jointly and severally to Respondents Citigroup Global Markets, Inc., and Jack B. Grubman.

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.

EEE SUMMARY

Claimant is solely liable for:

Initial Filing Fee	= \$175.00
Forum Fees	= \$450.00
<hr/> Total Fees	<hr/> = \$625.00
Less payments	= \$625.00
<hr/> Balance Due NASD Dispute Resolution	<hr/> = \$ -0-

Respondent Citigroup is solely liable for:

Member Fees	= \$2,625.00
Forum Fees	= \$ n/a
<hr/> Total Fees	<hr/> = \$2,625.00
Less payments	= \$2,750.00
<hr/> Balance Due NASD Dispute Resolution	<hr/> = <\$125.00>

Respondents are jointly and severally liable for:

Forum Fees	= \$900.00
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Total Fees	= \$900.00
Less payments (credit from above)	= \$125.00
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Balance Due NASD Dispute Resolution	= \$775.00

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

ARBITRATOR

Langfred W. White, Esq.

Public Arbitrator, Presiding Chair

Arbitrator's Signature

/s/
Langfred W. White, Esq.
Public Arbitrator, Presiding Chair

Signature Date

May 6, 2005

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

Balance Due NASD Dispute Resolution

\$775.00

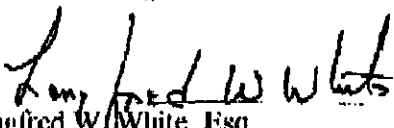
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATOR

Langfred W. White, Esq.

Public Arbitrator, Presiding Chair

Arbitrator's Signature


Langfred W. White, Esq.
Public Arbitrator, Presiding Chair


Signature Date

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