

NASD DISPUTE RESOLUTION AWARD
NASD DISPUTE RESOLUTION

CASE: 04-04284

Elisabeth C. Fisher IRA, Claimant v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., and Jack B. Grubman, Respondents

ATTORNEYS:

For Claimant, Elisabeth C. Fisher IRA, ("Claimant"), appeared George W. Healy, IV, Esq., of the firm George W. Healy, IV & Associates, Gulfport, MS.

For Respondents, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and Jack B. Grubman appeared Ann Parry Esq., in-house counsel, New York, NY.

NATURE OF DISPUTE: Customer v. Member and Associated Person.

DATE FILED: June 16, 2004.

CASE SUMMARY: Claimant alleged that Respondents purchased stock and or made recommendations for Claimants account that were unsuitable in light of claimant investment objectives. Claimant further alleged that Respondent failed to disclosed the conflict of interest with respect to the recommendations, promotion and sale of WorldCom stock. Claimant additional alleged vicarious liability violation of securities laws violation of New York Law and General Business Law section 349, breached of contract, common law fraud, fraudulent inducement, breach of fiduciary duty, negligence and gross negligence and failure to supervise. Claimant maintained that due to Respondents' actions their account suffered financial losses.

Claim Data

Claim: \$9,200.00

Punitive: \$10,000

Interest: Unspecified

Attorney Fees: Unspecified

Filing Fees: Unspecified

Other: Unspecified

Award Data

Award: \$9253.81

Punitive: \$.00

Interest: 10% p.a. from 11/02/04
until date award is paid.

Attorney Fees: \$3,000.00

Filing Fees: \$297.50

Other: \$.00

AWARD: The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) Respondents are jointly and severally liable and shall pay to the Claimant \$9,253.81. 2) Respondents are jointly and severally liable and shall pay to the Claimant interest at a rate of ten-percent (10%) per annum from 11/02/04 until the date the award is paid. 3) Respondents are jointly and severally liable under *Paine*

Page Two
Award 04-04284

Webber, Inc. v. Bybyk (1996, CA2 NY) 81 F3rd 1193, 60 ALR5th923, *Mastrobuono v. Shearson Lehman Hutton, Inc.* 514 U.S. 52 115 S Ct 1212, 131 L. Ed. 2d 76, Blue Sky L Rep (CCH) § 74017. Fed. Sec. L. Rep. (CCH)(1995), *Mutual Service Corp. v. Spalding* 92 F.Supp. 1126 and NASD Rule 10330(e) and shall pay to the Claimant in the amount of \$3,000.00 in attorney fees. 4) All requests for punitive damages are denied. 5) All other relief requests are denied. 6) NASD Dispute Resolution shall retain the \$425.00 filing fee that the Claimant deposited previously. 7) Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. is liable and shall pay to the Claimant \$148.75 as reimbursement of thirty-five percent of the filing fee. 8) Respondent Jack B. Grubman is liable and shall pay to the Claimant \$148.75 as reimbursement of thirty-five percent of the filing fee.

OTHER FEES: Pursuant to Rule 10333 of the Code, Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. has paid to NASD Dispute Resolution the \$425.00 Member Surcharge previously invoiced.

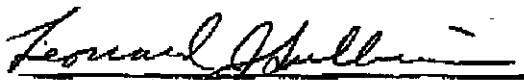
Page Three
Award C -04284

ARBITRATOR

Leonard J. Sullivan - Sole Public Arbitrator

AFFIRMATION

I, Leonard J. Sullivan, do hereby affirm, upon my oath as arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.


Leonard J. Sullivan


Signature Date

October 28, 2004
Date of Service (For NASD-DR office use only)