

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Arthur M. Eanet

Case Number: 04-04510

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

Hearing Site: Baltimore, Maryland

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

REPRESENTATION OF PARTIES

Claimant Arthur M. Eanet hereinafter referred to as "Claimant", was represented by Steven H. Heisler, Esq., Law Offices of Steven H. Heisler, Baltimore, Maryland.

Respondents Citigroup Global Markets, Inc. ("Citigroup") and Jack B. Grubman ("Grubman"), hereinafter collectively referred to as "Respondents", were represented by Mark L. Parmalee, Esq., Greenberg Traurig P.A., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about June 25, 2004.

Claimant signed the Uniform Submission Agreement on July 12, 2004.

Statement of Answer filed by Respondents on November 4, 2004.

Respondents did not file Uniform Submission Agreements.

CASE SUMMARY

Claimant asserted the following causes of action, among others: omission of material facts, violation of Chapter 517.301 of the Florida Securities and Investor Protection Act, violation of NASD Rule 2210(d)(1), breach of fiduciary duty, and *respondeat superior*. The causes of action relate to the purchase of WorldCom stock due to reliance on Respondents' advice.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: the Statement of Claim fails to state a claim upon which relief may be granted; the claims are barred by the doctrines of waiver and estoppel; ratification, Claimant failed to exercise due diligence; proximate cause; assumption and acceptance of the risk; and failure to mitigate damages.

RELIEF REQUESTED

Claimant in his Statement of Claim requested:

Compensatory Damages	\$13,299.59
Punitive Damages	amount unspecified
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents in their Statement of Answer requested that the Statement of Claim be denied in its entirety and dismissed with prejudice, and that they be awarded attorneys' fees and costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD Dispute Resolution, properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim are bound by the determination of the Panel on all issues submitted.

At the Initial Pre-Hearing Conference the parties agreed to waive the hearing and have the case decided on the basis of the papers submitted.

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

AWARD

The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. All claims against Respondents Citigroup and Grubman are denied in their entirety;
2. The Arbitrator finds that analyst research reports are an opinion and cannot be guaranteed. At any given time, for a given security, there are buy, sell and hold recommendations. There is always inconsistency in opinion between analysts. The opinions are based upon various assumptions which may or many not prove true. Whether Claimant relied upon Respondent Grubman's opinion is immaterial because brokerage house research reports carry a disclaimer that the reports are based on knowledge gathered from public sources which may not be accurate and which may carry a risk. Brokerage houses also disclose in their reports if they are providing underwriting services to the company or making a market in a particular security. Regarding Claimant's Exhibit C, New York Attorney General Assurance of Discontinuance; Exhibit D, New York Attorney General Assurance of Discontinuance; and Exhibit F, First Interim Report of Dick Thornburgh: each of these documents specifically provides that they are not to be used as evidence in any other proceeding. Further, Florida Statute 517.301 is incorrectly invoked since Claimant is a Maryland resident. Thus, Claimant has failed to

sustain the burden of proof in any and all of the causes of action alleged in the Statement of Claim. The Arbitrator finds that the factual contentions of Respondents are more credible and that Respondents' legal arguments are more persuasive;

3. The parties shall bear their respective costs, excepts as Fees are specifically addressed below; and
4. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

FEES

Pursuant to 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 = \$125.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, Citigroup is a party

Member surcharge = \$425.00

Total Member Fees = \$425.00

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: January 19, 2005 1 session

Fee for Decision on the Paper Record = \$300.00

Total Forum Fees = \$750.00

The Arbitrator has assessed \$750.00 of the forum fees to Claimant.

SEE SUMMARY

1. Claimant is assessed and shall pay the following fees:

Initial Filing Fee = \$125.00

Forum Fees = \$750.00

Total Fees = \$875.00

Less payments = \$575.00

NASD Dispute Resolution
Arbitration No. 04-04510
Award Page 4

Balance Due NASD Dispute Resolution = \$300.00

2. Respondent Citigroup is assessed and shall pay the following fees:

Member Fees	= \$425.00
Total Fees	= \$425.00
Less payments	= \$425.00
Balance Due NASD Dispute Resolution	= \$ 00.00

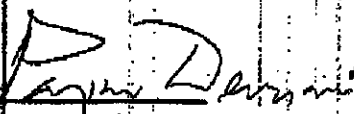
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10380(g) of the Code.


Single Arbitrator

Papan Devnani

Public Arbitrator, Presiding Chairperson

Arbitrator's Signatures


Papan Devnani
Public Arbitrator, Presiding Chairperson


Signature Date

6/23/05
Date of Service (For NASD Dispute Resolution office use only)