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**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Names of the Claimants  
Roger and Ann F. Sullivan

Case Number: 04-04608

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

Hearing Site: Boca Raton, Florida

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

**REPRESENTATION OF PARTIES**

For Roger and Ann F. Sullivan, hereinafter collectively referred to as "Claimants": Douglas H. Glick, Esq., Douglas H. Glick, 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": Michael D. Wallander, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

**CASE INFORMATION**

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

Claimants signed the Uniform Submission Agreements: May 20, 2004.

Statement of Answer filed by Respondents on or about: August 10, 2004.

Respondent Grubman signed the Uniform Submission Agreement: February 2, 2005.

Respondent Citigroup signed the Uniform Submission Agreement: March 21, 2005.

Reply to Respondents' Answer to Statement of Claim filed by Claimants on or about: August 12, 2004.

Amended Statement of Claim filed by Claimants on or about: July 29, 2005.

Answer to Amended Statement of Claim filed by Respondents on or about: August 29, 2005.

**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), Communications with the Public-General Standards; 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, as amended, and asserted various defenses.

**RELIEF REQUESTED**

Claimants requested rescissionary damages in the amount of \$6,243.84, an unspecified amount of punitive damages, interest, costs in the amount of \$385.19, attorneys' fees in the amount of \$14,980.00, and such other relief as deemed appropriate by the undersigned arbitrator (the "Arbitrator").

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

**OTHER ISSUES CONSIDERED AND DECIDED**

On or about June 17, 2005, the parties jointly requested that the Arbitrator make a final determination of this matter on the papers in lieu of conducting an evidentiary hearing, following submission by Claimants of an Amended Statement of Claim and by Respondents of a response thereto. On or about June 27, 2005, the Arbitrator issued an Order granting the parties' request.

**AWARD**

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

Respondents are jointly and severally liable on the claim for violation of Chapter 517.301 of the Florida Securities and Investor Protection Act, and shall pay to Claimants compensatory damages in the amount of \$6,243.84, specifically excluding pre-judgment interest.

Respondents are jointly and severally liable for and shall reimburse to Claimants the sum of \$75.00, representing the non-refundable claim-filing fee paid by Claimants to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages and the parties' respective 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 = \$75.00

**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. Accordingly, Respondent Citigroup is a member firm and a party.

Member Surcharge = \$325.00

Total Member Fees = \$325.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No adjournments were requested 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 assessed 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 Arbitrator.

No injunctive relief fees were assessed 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 the Arbitrator @ \$250.00/session	= \$250.00
Pre-hearing conference: October 15, 2004 1 session	

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Total Forum Fees	= \$250.00
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The Arbitrator has assessed forum fees of \$125.00 to Claimants, jointly and severally.  
The Arbitrator has assessed forum fees of \$125.00 to Respondents, jointly and severally.

**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.

There were no administrative costs incurred in this matter.

**Fee Summary**

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$75.00
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<u>Forum Fees</u>	= \$125.00
<u>Total Fees</u>	= \$200.00
<u>Less Payments</u>	= \$200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$325.00
<u>Total Fees</u>	= \$325.00
<u>Less Payments</u>	= \$325.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$125.00
<u>Total Fees</u>	= \$125.00
<u>Less Payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$125.00

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

ARBITRATOR

Sheldon Glassberg, Esq.

Public Arbitrator

Arbitrator's Signature

/s/ \_\_\_\_\_  
Sheldon Glassberg, Esq.  
Public Arbitrator

September 20, 2005  
Signature Date

September 21, 2005  
Date of Service (For NASD Dispute Resolution office use only)

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**Forum Fees** \_\_\_\_\_ = \$125.00

<b>Total Fees</b>	<b>= \$200.00</b>
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Less Payments	- \$200.00
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Balance Due NASD Dispute Resolution	= \$ 0.00
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**Respondent Citigroup is solely liable for:**

<b>Member Fees</b>	<b>= \$325.00</b>
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<b>Total Fees</b>	<b>= \$325.00</b>
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Less Payments	= \$325.00
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Balance Due NASD Dispute Resolution	= \$ 0.00
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**Respondents are jointly and severally liable for:**

**Forum Fees** ..... = \$125.00

Total Fees	= \$125.00
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**Less Payments** \_\_\_\_\_ = \$ 0.00

Balance Due NASD Dispute Resolution	= \$125.00
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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

## ARBITRATOR

**Sheldon Glassberg, Esq.**

## Public Arbitrator

**Arbitrator's Signature**

*[Handwritten signature]*

**Sheldon Glassberg, Esq.**

## Public Arbitrator

9.20.05  
Signature Date

**Signature Date**

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