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

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In the Matter of the Arbitration Between:

Name of the Claimant

Martin Millender

Case Number: 04-04661

Names of the Respondents

Citigroup Global Markets Inc., f/k/a

Salomon Smith Barney Inc.

Jack B. Grubman

Hearing Site: Tampa, Florida

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

**REPRESENTATION OF PARTIES**

For Martin Millender, hereinafter referred to as "Claimant": Douglas H. Glicken, Esq., Law Office of Douglas H. Glicken, 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 Perry, Esq. and Bradford D. Kaufman, Esq., Greenberg Traurig, Boca Raton, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: June 29, 2004.

Claimant signed the Uniform Submission Agreement: August 2, 2003.

Statement of Answer filed by Respondents on or about: August 16, 2004.

Respondents did not file signed Uniform Submission Agreements.

Reply to Respondents' Statement of Answer filed by Claimant on or about: August 24, 2004.

Joint Motion to have this Matter Proceed on the Paper Record and Motion to Amend the Statement of Claim filed on or about: March 22, 2005.

Amended Statement of Claim filed by Claimant on or about: April 29, 2005.

Response to Amended Statement of Claim filed by Respondents on or about: May 27, 2005.

**CASE SUMMARY**

Claimant asserted the following causes of action: 1) omission to state material facts and conflicts of interest in violation of Section 17(A) of the Securities Act of 1933; 2) omission to state material facts and conflicts of interest in violation of Chapter 517.301 of the Florida Securities and Investor Protection Act; 3) omission to state material facts and conflicts of interest in violation of NASD Rule 2210(d)(1), Communications with the Public-General Standards; 4) breach of fiduciary duty; and 5) respondeat superior. The causes of action relate to Claimant's investment in WorldCom stock.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimant requested rescissionary damages in the amount of \$7,162.03, an unspecified amount of punitive damages, interest, costs, attorneys' fees and such other relief as deemed appropriate by the Panel.

Respondents requested that the 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**

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

On or about March 29, 2005, the sole Arbitrator for this matter issued an Order that granted the Joint Motion to have this Matter Proceed on the Paper Record and, in addition, granted the Motion to Amend the Statement of Claim. Pursuant to this Order, the Claimant filed an Amended Statement of Claim on or about April 29, 2005 and Respondents filed their response on or about May 27, 2005.

### **AWARD**

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

Respondents are found liable for violation of Florida Statutes, Chapter 517.301. Respondent Citigroup shall pay to Claimant compensatory damages in the amount of \$5,371.02 and Respondent Grubman shall pay to Claimant compensatory damages in the amount of \$1,791.01, plus interest, on each amount, at the rate of 10% per annum from November 1, 2000 until the date of payment of the Award. November 1, 2000 was the date that Salomon Smith Barney first totally understood the extent of the conflict between WorldCom, Citigroup and Grubman. On that date, Salomon Smith Barney should have informed all clients, including the Claimant.

Respondents are liable and shall pay to Claimant attorneys' fees, pursuant to Florida Statutes, Chapter 517.211, in an amount to be determined by a court of competent jurisdiction. Attorneys' fees shall be assessed 75% to Respondent Citigroup and 25% to Respondent Grubman.

Respondent Citigroup is liable and shall pay to Claimant costs in the amount of \$373.18 and Respondent Grubman is liable and shall pay to Claimant costs in the amount of \$124.39.

Respondent Citigroup is liable and shall pay to Claimant the sum of \$56.25 and Respondent Grubman is liable and shall pay to Claimant the sum of \$18.75 representing reimbursement of the claim filing fee previously paid by Claimant to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein, including Claimant's request for punitive damages and Respondents' request for attorneys' fees, are denied.

### **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 = \$ 75.00

#### **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. Accordingly, Respondent Citigroup is a party to this dispute and was a member of NASD at the time the following fees were assessed:

Member surcharge = \$ 325.00

#### **Adjournment Fees**

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 cancellation fees were assessed in this matter.

#### **Injunctive Relief Fees**

No injunctive relief fees were incurred during this proceeding.

#### **Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$250.00 = \$250.00

Pre-hearing conference: November 4, 2004 1 session

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Total Forum Fees = \$250.00

The Arbitrator has assessed \$187.50 of the forum fees to Respondent Citigroup.

The Arbitrator has assessed \$62.50 of the forum fees to Respondent 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 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 during this proceeding.

**Fee Summary**

Claimant is solely liable for:

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

Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$ 325.00
<u>Forum Fees</u>	= \$ 187.50
<u>Total Fees</u>	= \$ 512.50
<u>Less payments</u>	= \$ 325.00
Balance Due NASD Dispute Resolution	= \$ 187.50

Respondent Grubman is solely liable for:

<u>Forum Fees</u>	= \$ 62.50
<u>Total Fees</u>	= \$ 62.50
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 62.50

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

**ARBITRATOR**

*Robert W. Kneeland*

- *Public Arbitrator, Presiding Chairperson*

**Arbitrator's Signature**

/s/

Robert W. Kneeland  
Public Arbitrator, Presiding Chairperson

06/21/05

Signature Date

06/21/05

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

NASD Dispute Resolution  
 Arbitration No. 04-04661  
Award Page 4

**Administrative Costs**

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No administrative costs were incurred during this proceeding.

**Fee Summary**

Claimant is solely liable for:

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

Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$ 325.00
<u>Forum Fees</u>	= \$ 187.50
<u>Total Fees</u>	= \$ 512.50
<u>Less payments</u>	= \$ 325.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 187.50

Respondent Grubman is solely liable for:

<u>Forum Fees</u>	= \$ 62.50
<u>Total Fees</u>	= \$ 62.50
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 62.50

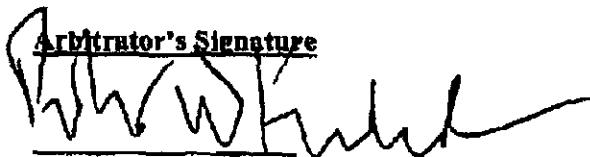
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**ARBITRATOR**

Robert W. Kneeland

- Public Arbitrator, Presiding Chairperson

Arbitrator's Signature



Robert W. Kneeland  
 Public Arbitrator, Presiding Chairperson

6-21-05

Signature Date

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