
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Neal Schleifer

Case Number: 04-04694

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 Neal Schleifer, hereinafter referred to as "Claimant": Douglas H. Glicken, Esq., Douglas H. Glicken, 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": Tucker H. Byrd, Esq. and Jennifer Tomsen, Esq., Greenberg Traurig, P.A., Orlando, Florida.

CASE INFORMATION

Statement of Claim filed on or about: June 28, 2005.

Claimant signed but did not date the Uniform Submission Agreement.

Statement of Answer filed by Respondents on or about: September 9, 2004.

Respondent Grubman signed the Uniform Submission Agreement: November 3, 2004.

Respondent Citigroup signed the Uniform Submission Agreement: November 7, 2004.

Claimant's Amended Statement of Claim filed on or about: August 25, 2005.

Respondents' Final Arbitration Brief and Memorandum of Law on the Issue of Reliance filed on or about: September 26, 2005.

Claimant's Reply to Respondents' Answer to Statement of Claim filed on or about: September 15, 2004.

Claimant's Preliminary Response to Respondents' Motion to Dismiss and Respondents' Motion to Strike as contained in their Statement of Answer filed on or about: September 15, 2004.

Respondents' Motion to Strike "Claimant's Reply to Respondents' Answer to Statement of Claim" and Motion to Strike "Claimant's Preliminary Response to Respondents' Motion to Dismiss and Respondents' Motion to Strike" filed on or about: October 28, 2004.

Claimant's Objection to Motions to Strike filed on or about: October 28, 2004.

CASE SUMMARY

Claimant 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 Claimant's 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

Claimant requested rescissory damages in the amount of \$3,056.62, an unspecified amount of punitive damages, plus interest, costs, attorneys' fees, and such other relief as deemed appropriate by the Arbitrator.

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

On or about June 30, 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 Claimant of an Amended Statement of Claim and by Respondents of a response thereto. On or about July 29, 2005, the Arbitrator issued an Order granting the parties' request.

On or about August 1, 2005, Respondents submitted a letter to NASD Dispute Resolution which stated that Respondents had not filed a Motion to Dismiss or Motion to Strike requiring a decision from the Arbitrator.

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:

Claimant's claims are dismissed in their entirety.

Each party shall bear their respective attorneys' fees.

Any and all claims for relief not specifically addressed herein, including Claimant's claims for relief pursuant to Chapter 517.301 of the Florida Securities and Investor Protection Act and 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

= \$50.00

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.

| | |
|-------------------------|------------|
| <u>Member Surcharge</u> | = \$200.00 |
| Total Member Fees | = \$200.00 |

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.

Injunctive relief fees were not 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 @ \$125.00/session | = \$125.00 |
| Pre-hearing conference: December 20, 2004 | 1 session |

| | |
|------------------|------------|
| Total Forum Fees | = \$125.00 |
|------------------|------------|

The Arbitrator has assessed forum fees of \$62.50 to Claimant.

The Arbitrator has assessed forum fees of \$62.50 to Respondents, jointly and severally.

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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

Claimant is solely liable for:

| | |
|-------------------------------------|-------------------|
| Initial Filing Fee | = \$50.00 |
| <u>Forum Fees</u> | <u>= \$62.50</u> |
| Total Fees | = \$112.50 |
| <u>Less Payments</u> | <u>= \$112.50</u> |
| Balance Due NASD Dispute Resolution | = \$0.00 |

Respondent Citigroup is solely liable for:

| | |
|-------------------------------------|-------------------|
| <u>Member Fees</u> | <u>= \$200.00</u> |
| Total Fees | = \$200.00 |
| <u>Less Payments</u> | <u>= \$200.00</u> |
| Balance Due NASD Dispute Resolution | = \$0.00 |

Respondents are jointly and severally liable for:

| | |
|-------------------------------------|------------------|
| <u>Forum Fees</u> | <u>= \$62.50</u> |
| Total Fees | = \$62.50 |
| <u>Less Payments</u> | <u>= \$0.00</u> |
| 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

Richard E. Shute

Public Arbitrator

Arbitrator's Signature

/s/
Richard E. Shute
Public Arbitrator

October 4, 2005
Signature Date

October 5, 2005
Date of Service (For NASD Dispute Resolution office use only)

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Richard E. Shute

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