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

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In the Matter of the Arbitration Between:

Names of the Claimants

Mark B. Goodman  
Sara H. Goodman

Case Number: 04-04781

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 Mark B. Goodman and Sara H. Goodman, hereinafter collectively referred to as "Claimants": Douglas H. Glicken, 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": Michael Wallander, Esq., Greenberg Traurig, West Palm Beach, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: July 7, 2004.

Claimants signed the Uniform Submission Agreement: June 30, 2004.

Statement of Answer filed by Respondents on or about: September 13, 2004.

Respondent Citigroup signed the Uniform Submission Agreement: March 14, 2005.

Respondent Grubman signed the Uniform Submission Agreement: October 26, 2004.

Joint Request to have this Matter Determined on the Paper Record and Motion to Amend the Statement of Claim filed on or about: April 4, 2005.

Amended Statement of Claim filed by Claimants on or about: July 12, 2005.

Answer to Amended Statement of Claim filed by Respondents on or about: July 25, 2005.

**CASE SUMMARY**

Claimants 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**

Claimants requested rescissionary damages, as amended, in the amount of \$1,098.48, 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, as amended, 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 10, 2005, the sole Arbitrator for this matter issued an Order that granted the parties' request to have this matter determined on the paper record and granted the Motion to Amend the Statement of Claim. Thereafter, on or about July 12, 2005, Claimant filed their Amended Statement of Claim and, on or about July 25, 2005, Respondent filed their Answer to the Amended Statement of Claim.

### **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 not liable and Claimants' claim is dismissed in its entirety, with prejudice.

Respondents, jointly and severally, shall reimburse Claimants \$12.50 representing one-half of the filing fee previously paid by Claimants to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein, including Claimants' requests for punitive damages and for relief pursuant to Florida Statutes, Chapter 517 and the parties' 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	= \$ 25.00
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#### **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 = \$ 150.00

**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 @ \$50.00	= \$ 50.00
Pre-hearing conference: December 15, 2004 1 session	
Total Forum Fees	= \$ 50.00

The Arbitrator has assessed \$25.00 of the forum fees jointly and severally to Claimants.

The Arbitrator has assessed \$25.00 of the forum fees jointly and severally to Respondents.

**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:

Initial Filing Fee	= \$ 25.00
Paper Case Record Fee	= \$ 25.00
Forum Fees	= \$ 25.00
Total Fees	= \$ 75.00
Less payments	= \$ 75.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$ 150.00
<u>Total Fees</u>	= \$ 150.00
<u>Less payments</u>	= \$ 150.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 25.00
<u>Paper Case Record Fee</u>	= \$ 25.00
<u>Total Fees</u>	= \$ 50.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 50.00

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

**ARBITRATOR**

Mark Scarr

- Public Arbitrator, Presiding Chairperson

**Arbitrator's Signature**

/s/

Mark Scarr

Public Arbitrator, Presiding Chairperson

11/21/05

Signature Date

11/21/05

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

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Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$ 150.00
<u>Total Fees</u>	= \$ 150.00
<u>Less payments</u>	= \$ 150.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 25.00
<u>Paper Case Record Fee</u>	= \$ 25.00
<u>Total Fees</u>	= \$ 50.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 50.00

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

**ARBITRATOR**

Mark Scarr

Public Arbitrator, Presiding Chairperson

Arbitrator's Signature



Mark Scarr

Public Arbitrator, Presiding Chairperson

11-21-05  
 Signature Date

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