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

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In the Matter of the Arbitration Between:

Name of the Claimant

Donald J. Dudley IRA

Case Number: 04-05114

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 Donald J. Dudley IRA, hereinafter referred to as "Claimant": Douglas H. Glicken, Esq., Law Offices of 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": Jennifer Tomsen, Esq. and Tucker H. Byrd, Esq., Greenberg Traurig, P.A., Orlando, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: July 16, 2004.

Claimant signed the Uniform Submission Agreement: September 22, 2003.

Statement of Answer filed by Respondents on or about: September 8, 2004.

Respondent Citigroup signed the Uniform Submission Agreement: November 2, 2004.

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

Claimant's Reply to Respondents' Answer to Statement of Claim filed by Claimant on or about: September 13, 2004.

Amended Statement of Claim filed by Claimant on or about: April 5, 2005.

Final Hearing Briefs filed by Respondents on or about: October 20, 2005.

**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 the 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 \$5,957.78, an unspecified amount of punitive damages, interest, costs, attorneys' fees, and such other relief as deemed appropriate by the undersigned arbitrator (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 February 15, 2005, Claimant made an unopposed request that, in lieu of conducting an evidentiary hearing, the Arbitrator make a final determination of this matter on the papers following submission by Claimant of an Amended Statement of Claim and by Respondents of a response thereto. On or about March 14, 2005, the Arbitrator issued an Order granting the request to permit case to proceed solely on the pleadings.

### **AWARD**

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

1. Claimant's claims, including Chapter 517, Florida Statutes, are denied in their entirety.
2. Claimant's requests for punitive damages and attorneys' fees are denied.
3. Respondents' requests for attorneys' fees are denied.
4. Each party is liable for their own expenses and costs.
5. Any and all claims for relief not specifically addressed herein 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 party and a member firm.

Member surcharge = \$325.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were assessed 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, including a pre-hearing conference with the Arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$250.00/session	= \$250.00
Pre-hearing conference: November 15, 2004 1 session	

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Total Forum Fees	= \$250.00
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The Arbitrator has assessed \$125.00 of the forum fees to Claimant.

The Arbitrator has assessed \$125.00 of the forum fees 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.

No administrative costs were incurred in this matter.

**Fee Summary**

Claimant is solely liable for:

Initial Filing Fee	= \$ 75.00
Paper Record Fee	= \$250.00
<u>Forum Fees</u>	<u>= \$125.00</u>
Total Fees	= \$450.00
<u>Less payments</u>	<u>= \$325.00</u>
Balance Due NASD Dispute Resolution	= \$125.00

Respondent Citigroup is solely liable for:

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

Respondents are jointly and severally liable for:

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

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

**ARBITRATOR**

Gordon R. Bowker

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Public Arbitrator

**Arbitrator's Signature**

/s/  
Gordon R. Bowker  
Public Arbitrator

November 15, 2005  
Signature Date

November 15, 2005  
Date of Service (For NASD Dispute Resolution use only)

No administrative costs were incurred in this matter.

**Fee Summary**

Claimant is solely liable for:

Initial Filing Fee	= \$ 75.00
Paper Record Fee	= \$250.00
Forum Fees	= \$125.00
Total Fees	= \$450.00
Less payments	= \$325.00
Balance Due NASD Dispute Resolution	= \$125.00

Respondent Citigroup is solely liable for:

Member Fees	= \$325.00
Total Fees	= \$325.00
Less payments	= \$325.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Forum Fees	= \$125.00
Total Fees	= \$125.00
Less payments	= \$125.00
Balance Due NASD Dispute Resolution	= \$ 0.00

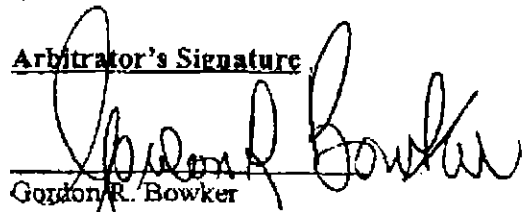
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**ARBITRATOR**

Gordon R. Bowker

Public Arbitrator

Arbitrator's Signature

  
Gordon R. Bowker  
Public Arbitrator

11/15/05  
Signature Date

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Date of Service (For NASD Dispute Resolution use only)