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

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In the Matter of the Arbitration Between:

Names of the Claimants

Albert Bateh, individually and as Trustee  
Janan Bateh, individually and as Trustee

Case Number: 04-05247

Names of the Respondents

Citigroup Global Markets, Inc., f/k/a  
Salomon Smith Barney, Inc.  
Jack Grubman

Hearing Site: Orlando, Florida

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

**REPRESENTATION OF PARTIES**

For Albert Bateh and Janan Bateh, individually and as Trustees, hereinafter referred to as "Claimants": Richard J. Lantinberg, Esq., Cooper Ridge & Lantinberg, Jacksonville, Florida.

For Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Jack Grubman ("Grubman"), hereinafter collectively referred to as "Respondents": Mark L. Parmelee, Esq., Greenberg Traurig, LLP, New York, New York.

**CASE INFORMATION**

Statement of Claim filed on or about: July 6, 2004.

Claimant Albert Bateh signed the Uniform Submission Agreement: January 15, 2004.

Claimant Janan Bateh signed the Uniform Submission Agreement: July 20, 2004.

Statement of Answer filed by Respondents on or about: March 3, 2005.

Respondents Citigroup and Grubman did not file executed Uniform Submission Agreements.

**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 the Claimants' investments in WorldCom stock.

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

### **RELIEF REQUESTED**

Claimants requested: 1) rescissionary damages in an amount not to exceed \$25,000.00; 2) an unspecified amount of punitive damages; 3) interest; 4) costs; 5) attorneys' fees; and 6) such other relief as deemed appropriate by the undersigned arbitrator (the "Arbitrator").

Respondents requested: 1) that Claimants' Statement of Claim be denied in its entirety, and dismissed with prejudice; 2) attorneys' fees; and, 3) costs.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondents Citigroup and Grubman did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements 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 Arbitrator on all issues submitted.

On or about April 13, 2005, Claimants filed their request for the above-captioned arbitration to proceed solely on the pleadings and without oral evidentiary hearing. On or about April 26, 2005, Respondents filed their agreement with Claimants' request. On or about May 4, 2005, the Arbitrator granted the request.

The parties agreed that a handwritten, signed Award may be entered in this matter.

### **AWARD**

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

Claimants' claims are dismissed with prejudice in their entirety.

Claimants' requests for punitive damages and attorneys' fees are denied.

Respondents' request for attorneys' fees is denied.

Any and all relief not specifically addressed herein, including claims under Chapter 517, Florida Statutes, is 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	= \$ 125.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Citigroup is a party and a member firm.

Member surcharge

= \$ 425.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournment fees assessed during these proceedings.

**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:

There were no three-day cancellation fees assessed during these proceedings.

**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 panel.

There were no injunctive relief fees assessed during these proceedings.

**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:

There were no forum fees assessed during these proceedings.

**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 during these proceedings.

**Fee Summary**

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 125.00
<u>Retained Paper Record Deposit</u>	<u>= \$ 300.00</u>
Total Fees	= \$ 425.00
<u>Less payments</u>	<u>= \$ 425.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

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Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$ 425.00
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<u>Total Fees</u>	= \$ 425.00
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<u>Less payments</u>	= \$ 425.00
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<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00
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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.

**ARBITRATION PANEL**

Simone Sicola

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Public Arbitrator

**Arbitrator's Signature**

/s/  
Simone Sicola  
Public Arbitrator

July 14, 2005  
Signature Date

July 14, 2005  
Date of Service (For NASD Dispute Resolution office use only)

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Balance Due NASD Dispute Resolution	-\$ 0.00
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Date of Service (For NASD Dispute Resolution office use only)