
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Michael and Cynthia Pflaumer JTWROS

Case Number: 04-05505

Names of the Respondents

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

Hearing Site: Boca Raton, Florida

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

REPRESENTATION OF PARTIES

For Michael and Cynthia Pflaumer JTWROS, 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": Ricardo Gonzalez, Esq., Greenberg Traurig, Miami, Florida.

CASE INFORMATION

Statement of Claim filed on or about: August 3, 2004.

Claimants signed the Uniform Submission Agreement: July 14, 2004.

Statement of Answer filed by Respondents on or about: October 11, 2004.

Respondents did not file signed Uniform Submission Agreements.

Reply to Statement of Answer filed by Claimants on or about: October 18, 2004.

Joint Motion to Have this Matter Determined on the Paper Record only and Claimants Motion to Amend filed on or about: February 28, 2005.

Amended Statement of Claim filed by Claimants on or about: May 13, 2005.

Response to Amended Statement of Claim filed by Respondents on or about: June 15, 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 Claimants' 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 \$24,031.71, 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

Respondents Citigroup 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 February 28, 2005, the parties submitted a Joint Motion to have this Matter Determined on the Paper Record only and a Motion to Amend the Statement of Claim.

On or about April 11, 2005, the sole Arbitrator for this matter granted the parties Joint Request to have this Matter Determined on the Paper Record only and the Motion to Amend the Statement of Claim. Thereafter, on or about May 13, 2005, Claimants filed their Amended Statement of Claim and on or about June 15, 2005, the Respondents filed their Reply 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' claims are denied in their entirety and dismissed, with prejudice.

Any and all claims for relief not specifically addressed herein, including Claimants' requests for punitive damages and request for relief pursuant to Florida Statutes, §517.301 and the parties' requests 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 = \$ 125.00

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 = \$ 425.00

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:

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.

No administrative costs were incurred during this proceeding.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 125.00
<u>Retained Paper Record Deposit</u>	= \$ 300.00
Total Fees	= \$ 425.00
<u>Less payments</u>	= \$ 175.00
Balance Due NASD Dispute Resolution	= \$ 250.00

Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$ 425.00
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Total Fees	= \$ 425.00
<u>Less payments</u>	<u>= \$ 200.00</u>
Balance Due NASD Dispute Resolution	= \$ 225.00

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

ARBITRATOR

Mark C. Perry, Esq.

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Public Arbitrator, Presiding Chairperson

Arbitrator's Signature

/s/
Mark C. Perry, Esq.
Public Arbitrator, Presiding Chairperson

08/01/05
Signature Date

08/01/05
Date of Service (For NASD Dispute Resolution office use only)

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Total Fees	= \$ 425.00
<u>Less payments</u>	<u>= \$ 200.00</u>
Balance Due NASD Dispute Resolution	= \$ 225.00

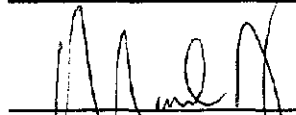
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATOR

Mark C. Perry, Esq.

Public Arbitrator, Presiding Chairperson

Arbitrator's Signature



Mark C. Perry, Esq.
Public Arbitrator, Presiding Chairperson

8/1/05
Signature Date

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