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

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In the Matter of the Arbitration Between:

Name of the Claimant  
Bernard Alan Silver

Case Number: 04-05902

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

Hearing Site: Boca Raton, Florida

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

**REPRESENTATION OF PARTIES**

For Bernard Alan Silver ("Silver"), hereinafter referred to as "Claimant": Michael Lynch, Esq., Hooper & Weiss, L.L.C., 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, P.A., Orlando, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: August 23, 2004.

Claimant signed the Uniform Submission Agreement: April 24, 2003.

Respondents' Answer to Statement of Claim filed on or about: October 22, 2004.

Respondent Citigroup did not file an executed Uniform Submission Agreement.

Respondent Grubman did not file an executed Uniform Submission Agreement.

**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 and asserted various defenses.

### **RELIEF REQUESTED**

Claimant requested rescissory damages in the amount of \$12,858.61, 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**

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 July 13, 2005, Claimant filed a notice with NASD Dispute Resolution representing that Claimant had complied with the procedure for opting out of the class action filed in court, entitled In Re WorldCom Securities Litigation.

On or about April 6, 2005, the parties requested that, in lieu of conducting an evidentiary hearing, the Arbitrator make a final determination of this matter on the papers following submission by the parties of final hearing briefs. On or about August 18, 2005, the Arbitrator issued an Order granting the parties' request.

### **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:

Defendants prevail and all claims of claimant are dismissed.

Any and all claims for relief not specifically addressed herein, including Claimant's claim for relief pursuant to the Florida Securities and Investor Protection Act, Claimant's request for punitive damages and the parties' request for attorneys' fees, are dismissed.

### **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(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.

<u>Member surcharge</u>	= \$425.00
Total Member Fees	= \$425.00

**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 panel.

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(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 @ \$450.00/session	= \$450.00
Pre-hearing conference: January 5, 2005 1 session	
<hr/> Total Forum Fees	= \$450.00

The Arbitrator has assessed forum fees of \$225.00 to Claimant.

The Arbitrator has assessed forum fees of \$112.50 to Respondent Citigroup.

The Arbitrator has assessed forum fees of \$112.50 to Respondent Grubman.

**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	= \$ 125.00
Paper Record Fee	= \$ 150.00
<u>Forum Fees</u>	<u>= \$ 225.00</u>
Total Fees	= \$ 500.00
<u>Less payments</u>	<u>= \$ 500.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Citigroup is solely liable for:

Member Fees	= \$ 425.00
Paper Record Fee	= \$ 75.00
<u>Forum Fees</u>	<u>= \$ 112.50</u>
Total Fees	= \$ 612.50
<u>Less payments</u>	<u>= \$ 425.00</u>
Balance Due NASD Dispute Resolution	= \$ 187.50

Respondent Grubman is solely liable for:

Paper Record Fee	= \$ 75.00
<u>Forum Fees</u>	<u>= \$ 112.50</u>
Total Fees	= \$ 187.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 187.50

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

**ARBITRATOR**

Todd Saunders, Esq.

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Public Arbitrator

**Arbitrator's Signature**

/s/  
\_\_\_\_\_  
Todd Saunders, Esq.  
Public Arbitrator

December 1, 2005  
Signature Date

December 1, 2005  
Date of Service (For NASD Dispute Resolution office use only)

Paper Record Fee = \$ 75.00

Forum Fees = \$ 112.50

Total Fees = \$ 612.50

Less payments = \$ 425.00

Balance Due NASD Dispute Resolution = \$ 187.50

Respondent Grubman is solely liable for:

Paper Record Fee = \$ 75.00

Forum Fees = \$ 112.50

Total Fees = \$ 187.50

Less payments = \$ 0.00

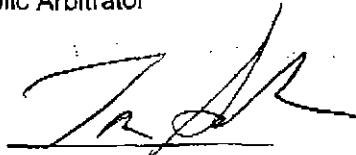
Balance Due NASD Dispute Resolution = \$ 187.50

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

**ARBITRATOR**

Todd Saunders, Esq. - Public Arbitrator

Arbitrator's Signature



Todd Saunders, Esq. Signature Date

12/1/05

Public Arbitrator

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