
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

James Larry Gall and
JoAnn Gall, Co-Trustees
James Larry Gall Trust
UAD 4/30/92

Case Number: 04-06195

Names of the Respondents

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

Hearing Site: Tampa, Florida

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

REPRESENTATION OF PARTIES

For James Larry Gall and JoAnn Gall, Co-Trustees James Larry Gall Trust UAD 4/30/92, hereinafter referred to as "Claimants": Michael B. 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": Jennifer Tomsen, Esq. and Tucker H. Byrd, Esq., Greenberg Traurig, P.A., Orlando, Florida.

CASE INFORMATION

Statement of Claim filed on or about: August 20, 2004.

Claimants signed the Uniform Submission Agreement: March 29, 2003.

Statement of Answer filed by Respondents on or about: November 18, 2004.

Respondent Grubman signed the Uniform Submission Agreement: January 15, 2005.

Respondent Citigroup signed the Uniform Submission Agreement: January 12, 2005.

Claimants' Final Hearing Brief filed on or about: September 28, 2005.

Respondents' Final Arbitration Brief and Respondents' Reliance Brief filed on or about: October 28, 2005.

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 Claimants' 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

Claimants requested rescissory damages in the amount of \$24,050.72, 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 Claimants' Statement of Claim 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 July 13, 2005, Claimants filed a notice with NASD Dispute Resolution representing that Claimants had complied with the procedure for opting out of the class action entitled *In Re WorldCom Securities Litigation*.

On or about August 22, 2005, Claimants requested, to which Respondents had no objection, that the Arbitrator make a final determination of this matter on the papers in lieu of conducting an evidentiary hearing. On or about August 29, 2005, the Arbitrator issued an Order granting the request that the case be decided based upon the written submissions of the parties.

AWARD

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

Claimants are entitled to recover from Respondents under the provisions of Sections 517.301 and 517.211 of the Florida Statutes. The Arbitrator's conclusion is further based upon the following cases: *E.F. Hutton v. Rousseff*, 537 So. 2d 978 (Fla. 1989) and *Waters v. International Precious Metals Corp.*, 172 F.R.D. 479 (S.D. Fla. 1996).

Accordingly, it is ordered that Claimants recover from Respondents, jointly and severally, the sum of \$24,050.72 plus interest through November 10, 2005 of \$8,183.00, plus interest thereafter until paid at the rate of eight percent (8%) per annum. It is further ordered that Respondents are liable, jointly and severally, and shall pay to Claimants the sum of \$125.00 representing reimbursement of the claim filing fee previously paid by Claimants to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages, 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 = \$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, Respondent Citigroup is a member firm and a party.

Member Surcharge	= \$425.00
Total Member Fees	= \$425.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournments were requested 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.

Three-day cancellation fees were not 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.

Injunctive relief fees were not 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: April 25, 2005	1 session

Total Forum Fees	= \$450.00
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The Arbitrator has assessed the total forum fees of \$450.00 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.

There were no administrative costs incurred in this matter.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$125.00
Total Fees	= \$125.00
<u>Less Payments</u>	<u>= \$125.00</u>
Balance Due NASD Dispute Resolution	= \$0.00

Respondent Citigroup is solely liable for:

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

Respondents are jointly and severally liable for:

Paper Record Fee	= \$300.00
Forum Fees	= \$450.00
Total Fees	= \$750.00
<u>Less Payments</u>	<u>= \$0.00</u>
Balance Due NASD Dispute Resolution	= \$750.00

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

ARBITRATOR

William E. Nodine

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Public Arbitrator

Arbitrator's Signature

/s/

William E. Nodine
Public Arbitrator

November 15, 2005
Signature Date

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

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Balance Due NASD Dispute Resolution	= \$750.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10310(g) of the Code.

ARBITRATOR

William E. Nodine

Public Arbitrator

Arbitrator's Signature



William E. Nodine
Public Arbitrator

NOVEMBER 15, 2005
Signature Date

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