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

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In the Matter of the Arbitration Between:

Name of the Claimant  
Stephen J. Vitale and Frances  
C. Vitale JTWROS  
Stephen J. Vitale, IRA

Case Number: 04-06196

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 Stephen J. Vitale and Frances C. Vitale JTWROS and Stephen J. Vitale, IRA, hereinafter referred to as "Claimant": 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": Clay A. Deatherage, Esq., Greenberg Traurig, P.A., Miami, Florida.

**CASE INFORMATION**

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

Claimant signed the Uniform Submission Agreement: April 14, 2003.

Statement of Answer filed by Respondents on or about: October 25, 2004.

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

Respondent Grubman signed the Uniform Submission Agreement: January 14, 2005

**CASE SUMMARY**

Claimant 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 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 affirmative defenses and other additional defenses.

### **RELIEF REQUESTED**

Claimant requested: 1) rescissory damages in the amount of \$11,689.13; 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 Claimant's Statement of Claim be denied in its entirety and dismissed with prejudice; 2) attorneys' fees; and, 3) costs.

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

On or about February 9, 2004, Claimant filed 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 4, 2005, Claimant filed a request, on behalf of the parties, for the above-captioned arbitration to proceed solely on the pleadings, without oral evidentiary hearing, file additional pleadings, and submit final hearing briefs. On or about June 1, 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:

Claimant's claims are denied in their entirety.

The parties shall each bear their own costs and attorneys' fees.

Any and all relief not specifically addressed herein, including Claimant's claims for relief under Chapter 517, Florida Statutes, and punitive damages, 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(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
Total Member Fees	= \$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, 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 @ \$450.00/session	= \$450.00
Pre-hearing conference: March 14, 2005 1 session	
Total Forum Fees	= \$450.00

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

The Arbitrator has assessed \$225.00 of the forum fees jointly and severally to Respondents.

**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**

1. Claimant is solely liable for:

Initial Filing Fee	= \$125.00
<u>Forum Fees</u>	= \$225.00
Total Fees	= \$350.00
<u>Less payments</u>	= \$350.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent Citigroup is solely liable for:

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

3. Respondents Citigroup and Grubman are jointly and severally liable for:

<u>Forum Fees</u>	= \$225.00
Total Fees	= \$225.00
<u>Less payments</u>	= \$ 0.00
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.

**ARBITRATION PANEL**

*Andrew J. Bolnick*

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Public Arbitrator

**Arbitrator's Signature**

/s/  
Andrew J. Bolnick  
Public Arbitrator

August 23, 2005  
Signature Date

August 24, 2005  
Date of Service (For NASD Dispute Resolution office use only)

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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

1. Claimant is solely liable for:	
Initial Filing Fee	= \$125.00
Forum Fees	= \$225.00
Total Fees	= \$350.00
Less payments	= \$350.00
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2. Respondent Citigroup is solely liable for:	
Member Fees	= \$425.00
Total Fees	= \$425.00
Less payments	= \$425.00
Balance Due NASD Dispute Resolution	= \$ 0.00
3. Respondents Citigroup and Gribman are jointly and severally liable for:	
Forum Fees	= \$225.00
Total Fees	= \$225.00
Less payments	= \$ 0.00
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.

ARBITRATION PANEL

Andrew J. Bolnick

Public Arbitrator

Arbitrator's Signature



Andrew J. Bolnick  
Public Arbitrator

8-20-05

Signature Date

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