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

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In the Matter of the Arbitration Between:

Names of the Claimants

Case Number: 04-07916

Barbara M. Brown, IRA

Barbara M. Brown TOD Allison Leigh Brown & Scott McCulloch Brown

Names of the Respondents

Hearing Site: Tampa, Florida

Citigroup Global Markets, Inc. f/k/a

Salomon Smith Barney, Inc.

Jack B. Grubman

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

**REPRESENTATION OF PARTIES**

For Barbara M. Brown, IRA and Barbara M. Brown TOD Allison Leigh Brown & Scott McCulloch Brown, hereinafter collectively 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: November 16, 2004.

Claimants signed the Uniform Submission Agreement: June 23, 2004.

Statement of Answer filed by Respondents on or about: March 1, 2005.

Respondent Citigroup signed the Uniform Submission Agreement: March 17, 2005.

Respondent Grubman signed the Uniform Submission Agreement: March 18, 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 the 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 rescissionary damages in the amount of \$2,797.98, 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 filed in court, entitled In Re WorldCom Securities Litigation.

On or about July 15, 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 July 19, 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:

Claimants' claims are dismissed in their entirety, with prejudice.

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

Any and all claims for relief not specifically addressed herein, including Claimants' claim for relief pursuant to the Florida Securities and Investor Protection Act and 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	= \$50.00
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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	= \$200.00
Total Member Fees	= \$200.00

**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 @ \$125.00/session	= \$125.00
Pre-hearing conference: April 5, 2005 1 session	
Total Forum Fees	= \$125.00

The Arbitrator has assessed forum fees of \$62.50 to Claimants, jointly and severally.  
The Arbitrator has assessed forum fees of \$62.50 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.

No administrative costs were incurred in this matter.

**Fee Summary**

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 50.00
Paper Record Fee	= \$ 62.50
<u>Forum Fees</u>	<u>= \$ 62.50</u>
Total Fees	= \$175.00
<u>Less payments</u>	<u>= \$175.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Citigroup is solely liable for:

<u>Member Fees</u>	<u>= \$200.00</u>
Total Fees	= \$200.00
<u>Less payments</u>	<u>= \$200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Paper Record Fee	= \$ 62.50
<u>Forum Fees</u>	<u>= \$ 62.50</u>
Total Fees	= \$125.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$125.00

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

**ARBITRATOR**

Edward J. Vaia

Public Arbitrator

**Arbitrator's Signature**

/s/  
Edward J. Vaia  
Public Arbitrator

November 18, 2005  
Signature Date

November 18, 2005

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

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No administrative costs were incurred in this matter.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 50.00
Paper Record Fee	= \$ 62.50
Forum Fees	= \$ 62.50
Total Fees	= \$175.00
Less payments	= \$175.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Citigroup is solely liable for:

Member Fees	= \$200.00
Total Fees	= \$200.00
Less payments	= \$200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Paper Record Fee	= \$ 62.50
Forum Fees	= \$ 62.50
Total Fees	= \$125.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$125.00

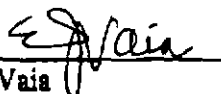
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Edward J. Vaia

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Arbitrator's Signature

  
Edward J. Vaia  
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11/18/05  
Signature Date

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