

**NASD DISPUTE RESOLUTION AWARD**

**NASD DISPUTE RESOLUTION**

CASE: 03-00314

The John W. Reid Trust, Claimant v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and Jack B. Grubman, Respondents.

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**ATTORNEYS:**

For Claimant, The John W. Reid Trust, ("Claimant"), appeared James Richard Hooper, Esq., Orlando, FL.

For Respondents, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. and Jack B. Grubman, ("Respondents"), appeared Bradford D. Kaufman, Esq., West Palm Beach, FL.

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**NATURE OF DISPUTE:** Customer v. Member and Associated Person

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**DATE FILED:** January 13, 2003

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**CASE SUMMARY:** Claimant alleged that Respondents omitted material facts in connection with the offer and sale of WorldCom stock. Claimant alleged that Respondents violated Section 17(a) of the Securities Act of 1933, Chapter 517.301 of the Florida Securities and Investor Protection Act, and NASD Rule 2210(d)(1). Claimant further alleged that Respondents breached their fiduciary duty and that Citigroup Global Markets, Inc. is liable under the doctrine of respondeat superior.

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**OTHER ISSUES:** On June 16, 2003, Claimant filed an Amended Statement of Claim reducing the amount of damages requested. Accordingly, the hearing session deposit has been reduced from \$250.00 to \$125.00.

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**ARBITRATOR'S REPORT:**

Respondents are found liable under Counts I, III, IV, and V: In Count I, 17(a) of the Securities Act of 1933 was violated. In Count III, NASD Rule 2210(d)(1) was violated. In Count IV, Jack B. Grubman had a fiduciary duty pursuant to Ward v. Atlantic Security.

Respondents are not found liable under Count II because Grubman's actions did not rise to the level required by FS 517.301.

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**Claim Data**

Claim: \$4,929.18  
Punitive Damages: Unspecified  
Interest: Unspecified  
Attorney Fees: Unspecified  
Filing Fees: Unspecified  
Other: Unspecified

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**Award Data**

Award: \$4,929.18  
Punitive Damages: \$.00  
Interest: \$.00  
Attorney Fees: \$.00  
Filing Fees: \$100.00  
Other: \$.00

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**AWARD:** The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) Respondents are jointly and severally liable and shall pay to the Claimant \$4,929.18. 2) All requests for punitive damages are denied. 3) All requests for interest are denied. 4) All requests for attorney fees are denied. 5) All other relief requests are denied. 6) NASD Dispute Resolution shall retain the \$200.00 filing fee that the Claimant deposited previously. 7) Respondents are jointly and severally liable and shall pay to the Claimant \$100.00 as reimbursement of one-half of the filing fee.

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**OTHER FEES:** Pursuant to Rule 10333 of the Code, Respondent Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc. has paid to NASD Dispute Resolution the \$325.00 Member Surcharge previously invoiced.

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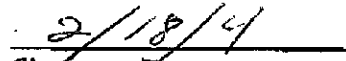
**ARBITRATOR**

Mauricio Arcadier, JD - Sole Public Arbitrator

**AFFIRMATION**

I, Mauricio Arcadier, JD, do hereby affirm, upon my oath as arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.

  
Mauricio Arcadier, JD

  
Signature Date

February 24, 2004  
Date of Service (For NASD-DR office use only)