
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Steven P. Houle

Case Number: 03-00338

Names of the Respondents

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 Steven P. Houle, hereinafter referred to as "Claimant": James Richard Hooper, Esq., Hooper & Weiss, LLP, Orlando, Florida.

For Salomon Smith Barney, Inc. ("SSB") and Jack B. Grubman ("Grubman"), hereinafter collectively referred to as "Respondents": Michael D. Wallander, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: January 9, 2003.

Claimant signed the Uniform Submission Agreement: January 4, 2003.

Statement of Answer filed by Respondents on or about: March 14, 2003.

Respondent SSB signed the Uniform Submission Agreement: March 27, 2003.

Respondent Grubman signed the Uniform Submission Agreement: March 31, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: 1) breach of contract; 2) breach of fiduciary duty; 3) violation of Section 10(b) and Rule 10(b)(5) of the Securities Exchange Act of 1934; 4) common law fraud; 5) constructive fraud; 6) violation of NASD Conduct Rules; 7) violation of Florida Blue Sky Laws; 8) negligence; 9) failure to supervise; and 10) respondeat superior. The causes of action relate to 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.

RELIEF REQUESTED

Claimant requested rescissory damages in the amount of \$972.39, disgorgement and restitution of all earnings, profits, compensation and benefits received by Respondents, pre- and post-judgment interest at the

legal rate, attorney's fees, costs and expenses of this proceeding and such other and further relief as the Panel deemed just and proper.

Respondents requested that the 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

On or about January 14, 2004, 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 September 28, 2004, the sole Arbitrator in this matter issued an Order stating that this matter would be determined by the papers submitted by the parties and that there would not be an in-person final evidentiary hearing conducted.

AWARD

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

Respondents are found jointly and severally liable on all of Claimant's claims and shall pay compensatory damages in the amount of \$972.39, plus interest at the rate of 7% per annum from 9/6/00 until the date of payment of the award.

Respondents are jointly and severally liable and shall pay to Claimant attorney's fees in an amount to be determined by a court of competent jurisdiction. Claimant is the prevailing party pursuant to Florida Statute 517.301 and other applicable rules and statutes, thereby entitling him to this award of attorneys fees and costs pursuant to Florida Statute 517.211(6) and other applicable rules and statutes.

Respondents are jointly and severally liable and shall pay to Claimant the sum of \$25.00 representing reimbursement of the claim filing fee previously paid by Claimant to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein, including Respondents' request for attorneys' fees, 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 = \$25.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Respondent SSB is a party to this dispute and was a member of NASD at the time the following fees were assessed:

Member surcharge = \$150.00

Adjournment Fees

No requests for adjournments were filed 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 cancellation fees were assessed in this matter.

Injunctive Relief Fees

No injunctive relief fees were incurred during this proceeding.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$25.00 = \$25.00

Pre-hearing conference: September 28, 2004 1 session

Total Forum Fees = \$25.00

The Arbitrator has assessed the total forum fees of \$25.00 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.

No administrative costs were incurred during this proceeding.

Fee Summary

Claimant is solely liable for:

<u>Initial Filing Fee</u>	= \$ 25.00
Total Fees	= \$ 25.00
<u>Less payments</u>	= \$ 25.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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Respondent SSB is solely liable for:

<u>Member Fees</u>	= \$ 150.00
<u>Total Fees</u>	= \$ 150.00
<u>Less payments</u>	= \$ 150.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 25.00
<u>Total Fees</u>	= \$ 25.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 25.00

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

ARBITRATOR

William J. Capito, Esq.

Public Arbitrator, Presiding Chairperson

Arbitrator's Signature

/s/

William J. Capito, Esq.
Public Arbitrator, Presiding Chairperson

03/17/05

Signature Date

03/17/05

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

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<u>Balance Due NASD Dispute Resolution</u>	= \$ 25.00

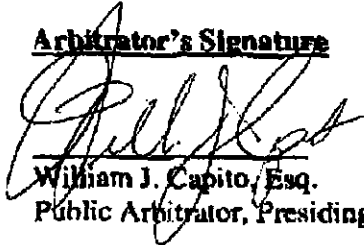
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATOR

William J. Capito, Esq.

Public Arbitrator, Presiding Chairperson

Arbitrator's Signature



William J. Capito, Esq.
Public Arbitrator, Presiding Chairperson

MARCH 17, 2005
Signature Date

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