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

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In the Matter of the Arbitration Between:

Name of the Claimant  
Irving Tuchman

Case Number: 03-04860

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

Hearing Site: Boca Raton, Florida

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

**REPRESENTATION OF PARTIES**

For Irving Tuchman ("Tuchman"), 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": Tucker H. Byrd, Esq., Greenberg Traurig, P.A., Orlando, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: July 2, 2003.

Claimant signed the Uniform Submission Agreement: May 13, 2003.

Statement of Answer filed by Respondents on or about: December 1, 2003.

Respondent Citigroup signed the Uniform Submission Agreement: October 20, 2003.

Respondent Grubman signed the Uniform Submission Agreement: October 21, 2003.

Motion to Supplement Exhibits and to Amend the Statement of Claim filed by Claimant on or about: May 28, 2004.

Response to Motion to Supplement Exhibits and to Amend the Statement of Claim filed by Respondents on or about: June 14, 2004.

Amended Statement of Claim filed by Claimant on or about: May 28, 2004.

Answer to Amended Statement of Claim filed by Respondents on or about: June 7, 2004.

**CASE SUMMARY**

Claimant 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 Claimant's investment in WorldCom stock.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim, as amended, and asserted various defenses.

### **RELIEF REQUESTED**

Claimant requested rescissionary damages in the amount of \$84,965.54, an unspecified amount of punitive damages, interest, costs, attorneys' fees and such other relief as deemed appropriate by the Panel.

Respondents requested that Claimant's Statement of Claim, as amended, 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 March 5, 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 or about June 23, 2004, the Panel issued an Order that granted Claimant's Motion to Supplement Exhibits and to Amend the Statement of Claim.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

### **AWARD**

After considering the pleadings and the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondents are liable for violation of Chapter 517.301 of the Florida Securities and Investor Protection Act. Respondents shall pay to Claimant compensatory damages in the amount of \$84,956.54 plus interest at a rate of 7% per annum, accruing from March 31, 2000 through March 8, 2005.

Claimant's request for attorneys' fees is granted, with the amount to be determined by a court of competent jurisdiction, pursuant to Chapter 517 of the Florida Statutes.

Respondent is liable and shall pay to Claimant the sum of 225.00 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 Claimant's 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 = \$ 225.00

**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 Citigroup is member firm and a party.

Member surcharge = \$1,100.00  
Pre-hearing process fee = \$ 750.00  
Hearing process fee = \$1,700.00  
Total Member Fees = \$3,550.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred 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 incurred 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 incurred in this matter.

**Forum Fees and Assessments**

The Panel 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 Panel @ \$750.00/session = \$ 750.00  
Pre-hearing conference: March 5, 2004 1 session

Two (2) Hearing sessions @ \$750.00 = \$ 1,500.00  
Hearing Date: March 8, 2005

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Total Forum Fees = \$2,250.00

The Panel assessed the total forum fees of \$2,250.00 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.

No administrative costs were incurred in this matter.

**Fee Summary**

Claimant is solely liable for:

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

Respondent is solely liable for:

<u>Member Fees</u>	= \$3,550.00
Total Fees	= \$3,550.00
<u>Less payments</u>	= \$3,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$2,250.00
Total Fees	= \$2,250.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$2,250.00

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

**ARBITRATION PANEL**

Lewis J. Levey, Esq.	-	Public Arbitrator, Presiding Chairperson
Robert D. Boettigheimer	-	Public Arbitrator
Steven A. Hurst, CFP	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/  
Lewis J. Levey, Esq.  
Public Arbitrator, Presiding Chairperson

March 14, 2005  
Signature Date

/s/  
Robert D. Boettigheimer  
Public Arbitrator

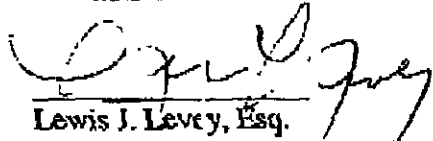
March 10, 2005  
Signature Date

/s/  
Steven A. Hurst, CFP  
Non-Public Arbitrator

March 11, 2005  
Signature Date

March 14, 2005  
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

  
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Lewis J. Levey, Esq.  
Public Arbitrator, Presiding Chairperson

3/14/15  
Signature Date

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Robert D. Bostigheimer  
Public Arbitrator

\_\_\_\_\_  
Signature Date

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Steven A. Hurst, CFP  
Non-Public Arbitrator

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Signature Date

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




Concurring Arbitrators' Signatures

\_\_\_\_\_  
Lewis J. Levey, Esq.  
Public Arbitrator, Presiding Chairperson

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Signature Date

\_\_\_\_\_  
Robert D. Boettigheimer  
Public Arbitrator

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Signature Date

  
Steven A. Hurst, CFP  
Non-Public Arbitrator

3-11-05  
Signature Date

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