
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Stanley B. Leedy TTEE FBO Stanley B. Leedy
Stanley B. Leedy TTEE FBO Vangine L. Leedy

Case Number: 03-04989

Names of the Respondents

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

Hearing Site: Boca Raton, Florida

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

REPRESENTATION OF PARTIES

For Stanley B. Leedy TTEE FBO Stanley B. Leedy and Stanley B. Leedy TTEE FBO Vangine L. Leedy, hereinafter referred to as "Claimant": William Young, Esq., Hooper & Weiss, LLC, 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": Jacqueline Becerra, Esq., Greenberg Traurig, P.A., Miami, Florida.

CASE INFORMATION

Statement of Claim filed on or about: July 8, 2003.

Claimant signed the Uniform Submission Agreement: March 31, 2003.

Answer to the Statement of Claim filed by Respondents on or about: September 12, 2003.

Respondent Citigroup signed the Uniform Submission Agreement: August 21, 2003.

Respondent Grubman signed the Uniform Submission Agreement: August 29, 2003.

Motion to Supplement the Exhibits and to Amend the Statement of Claim filed by Claimant on or about: August 4, 2004.

Response to Motion to Supplement the Exhibits and to Amend the Statement of Claim filed by Respondents on or about: September 17, 2004.

Amended Statement of Claim filed by Claimant on or about: August 4, 2004.

Answer to the Amended Statement of Claim filed by Respondents on or about: September 9, 2004.

Motion in Limine to Exclude Evidence of Settlement Agreements and Related Documents filed by Respondents on or about: November 9, 2004.

Motion in Limine to Exclude the Thornburgh Reports filed by Respondents on or about: November 9, 2004.

Motion to Exclude Use of DVD at Final Hearing filed by Respondents on or about: November 9, 2004.

Claimant's Response to Respondents' Collective Motions Seeking to Exclude Settlement Agreements, Claimant's DVD and Other Evidence filed on or about: November 11, 2004.

Claimant's Verified Claim for Attorney's Fees and Amount filed on or about: November 22, 2004.

Respondents' Memorandum with Regard to Attorneys' Fees filed on or about: November 24, 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); 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 and Amended Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested rescissionary damages in the amount of \$148,511.16, punitive damages, interest, cost, attorney's fees and any other relief deemed just and proper.

Respondents requested that the Statement of Claim be dismissed, with prejudice, with attorneys' fees and costs assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

On or about December 24, 2003, 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 October 21, 2004, the Panel issued an order granting Claimant's Motion to Supplement the Exhibits and Amend the Statement of Claim.

On or about November 15, 2004, the Panel issued an order granting Respondents' Motion to Exclude Use of DVD at Final Hearing. In addition, the Panel issued an order on Respondents' Motion in Limine to Exclude Evidence of Settlement Agreements and Related Documents and Motion in Limine to Exclude the Thornburgh Reports as follows: the Assurance of Discontinuance Pursuant to Executive Law 63(15)(NYAG 2003) and related documents and the final Thornburgh Report may be presented as evidence; the proposed settlement agreement and related documents, the NYSE panel decisions and the two preliminary Thornburgh Reports may not be presented as evidence.

On or about November 19, 2004, the Panel issued an order directing the parties to submit memoranda with respect to attorneys' fees by not later than November 24, 2004.

The parties have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues

submitted for determination as follows:

Respondents are jointly and severally liable on the claim of omission to state material facts and conflicts of interest in violation of Chapter 517.301 of the Florida Securities and Investor Protection Act and shall pay to Claimant rescissionary damages in the amount of \$105,691.24, plus interest from August 1, 2000 to November 30, 2004 per Section 55.03 of the Florida Statutes to be calculated as follows: 10% for the year 2000; 11% for the year 2001; 9% for the year 2002; 6% for the year 2003; and, 7% for the year 2004.

With respect to attorney's fees,

1. The Panel finds that attorney's fees are recoverable under Section 517.221 of the Florida Statutes and that the Panel has jurisdiction to determine entitlement and the amount of attorney's fees. This jurisdiction is based upon the Uniform Submission Agreements entered into by the parties agreeing that the Panel has jurisdiction to consider Claimant's claims, which included attorney's fees. Therefore, the Panel has jurisdiction. See *Cassedy v. Merrill Lynch Pierce Fenner & Smith, Inc.*, 751 So.2d 143 (Fla 1st DCA 2000).
2. Claimant's reasonable billable hours are 32.3.
3. A reasonable hourly rate under the circumstances is \$300.00 per hour which leads to a load star figure of \$9,690.00.
4. The Panel finds that Claimant's agreement with his attorney was a contingency fee agreement.
5. Claimant's counsel concedes in Claimant's Verified Claim for Attorney's Fees and Amount that this was a case in which the likelihood of success was approximately even at the outset.
6. Claimant's reliance upon *Florida Patient's Compensation Fund v. Rowe*, 472 So.2d 1145 (Fla 1985) in argument for a multiplier of 2 is rejected as *Rowe* was modified by the subsequent decision of *Standard Guaranty Insurance Company v. Quanstrom*, 555 So.2d 828 (Fla 1990).
7. The Panel finds the appropriate multiplier in this case is 1.5
8. Therefore, Respondents are jointly and severally liable and shall pay to Claimant attorney's fees in the amount of \$14,535.00.

Respondents are jointly and severally liable and shall pay to Claimant the sum of \$300.00 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 claims 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	= \$ 300.00
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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 that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm Citigroup Global Markets, Inc. is a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

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 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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with the Panel @ \$1,125.00	= \$2,250.00
Pre-hearing conferences: January 14, 2004 1 session	
October 20, 2004 1 session	
Two (2) Hearing sessions @ \$1,125.00	= \$2,250.00
Hearing Date: November 16, 2004 2 sessions	
Total Forum Fees	= \$4,500.00

The Panel has assessed the total forum fees of \$4,500.00 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 are 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>	= \$ 300.00
<u>Total Fees</u>	= \$ 300.00
<u>Less payments</u>	= \$ 300.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 4,500.00
<u>Total Fees</u>	= \$ 4,500.00
<u>Less payments</u>	= \$ 750.00
Balance Due NASD Dispute Resolution	= \$ 3,750.00

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

ARBITRATION PANEL

- Carlos E. Ayala - Public Arbitrator, Presiding Chairperson
- Jeffrey R. Fuller, J.D. - Public Arbitrator
- Berthold T. Berkwich - Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

12/14/04

Carlos E. Ayala
Public Arbitrator, Presiding Chairperson

Signature Date

/s/

12/14/04

Jeffrey R. Fuller, J.D.
Public Arbitrator

Signature Date

/s/

12/15/04

Berthold T. Berkwich
Non-Public Arbitrator

Signature Date

12/15/04

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

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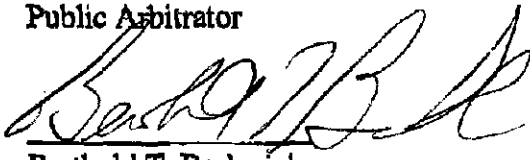
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