

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

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In the Matter of the Arbitration Between:

Name of the Claimant  
Carol Bubeck

Case Number: 03-05270

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

Hearing Site: Tampa, Florida

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

**REPRESENTATION OF PARTIES**

For Carol Bubeck, hereinafter referred to as "Claimant": James Richard Hooper, Esq. and 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 referred to as "Respondents": Tucker H. Byrd, Esq. and Jennifer Tomsen, Esq., Greenberg Traurig, P.A., Orlando, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: July 18, 2003.

Amended Statement of Claim filed on or about: July 20, 2004.

Claimant signed the Uniform Submission Agreement: April 14, 2003.

Statement of Answer filed by Respondents on or about: September 11, 2003.

Respondents' Answer to Amended Statement of Claim filed on or about: August 30, 2004.

Respondent Citigroup signed the Uniform Submission Agreement: October 13, 2004.

Respondent Grubman signed the Uniform Submission Agreement: October 20, 2004.

**CASE SUMMARY**

Claimant asserted the following causes of action: violation of Section 17(A) of the Securities Act of 1933; violation of Chapter 517.301 of the Florida Securities and Investor Protection Act; violation of NASD Rule 2210(d)(1); breach of fiduciary duty; and, respondeat superior. The causes of action relate to the offer and sale of WorldCom stock to Claimant.

Unless specifically admitted in their Answers, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

**RELIEF REQUESTED**

Claimant requested an arbitration award against Respondents for rescissory damages in the amount of \$3,995.81 and punitive damages in an amount to be determined, plus interest, costs, attorneys' fees, and such other damages the Arbitrator deemed appropriate.

Respondents requested that Claimant's 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 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 September 28, 2004, the Arbitrator issued an order which denied Claimant's request for an evidentiary hearing.

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

### **AWARD**

After considering the pleadings, and the record in this matter, the undersigned arbitrator (the "Arbitrator") has decided in full and final resolution of the issues submitted for determination as follows:

Respondents are liable, jointly and severally, pursuant to Florida Statute 517.301, and other applicable rules and statutes, and shall pay to Claimant the sum of \$3,995.81, plus interest at the rate of 7% per annum from December 10, 1999 until the date of payment of the Award.

Respondents are liable, jointly and severally, and shall pay to Claimant the sum of \$50.00 representing reimbursement of the claim filing previously paid by Claimant to NASD Dispute Resolution.

Attorneys' fees are granted in an amount to be determined by a court of competent jurisdiction as Claimant is the prevailing party pursuant to Florida Statute 517.301 and other applicable rules and statutes thereby entitling her to an award of attorneys' fees and costs pursuant to Florida Statute 517.211(6) and other applicable rules and statutes. The award of attorneys' fees is joint and several against Respondents.

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 = \$50.00

**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. In this matter, the member firm is a party.

Member surcharge = \$200.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No adjournment 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 a single arbitrator @ \$125.00 = \$125.00  
Pre-hearing conference: September 28, 2004 1 session

The Arbitrator has assessed the total forum fees of \$125.00 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 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:

Initial Filing Fee = \$50.00

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Total Fees = \$50.00

Less payments = \$50.00

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Balance Due NASD Dispute Resolution = \$0.00

Respondent Citigroup is solely liable for:

Member Fees = \$200.00

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Total Fees = \$200.00

Less payments = \$200.00

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Balance Due NASD Dispute Resolution = \$0.00

Respondents are jointly and severally liable for:

Forum Fees = \$125.00

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Total Fees = \$125.00

Less payments = \$0.00

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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**

William J. Capito, Esq.

Public Arbitrator, Presiding Chair

**Arbitrator's Signature**

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

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Signature Date

March 18, 2005  
Date of Service (For NASD Dispute Resolution office use only)

Less payments = \$50.00

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Balance Due NASD Dispute Resolution = \$0.00

Respondent Citigroup is solely liable for:

Member Fees = \$200.00

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Total Fees = \$200.00

Less payments = \$200.00

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Balance Due NASD Dispute Resolution = \$0.00

Respondents are jointly and severally liable for:

Forum Fees = \$125.00

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Total Fees = \$125.00

Less payments = \$0.00

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Balance Due NASD Dispute Resolution = \$125.00

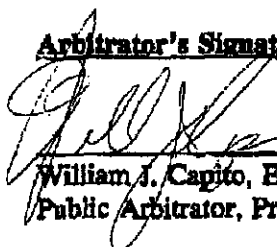
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**ARBITRATOR**

William J. Capito, Esq.

Public Arbitrator, Presiding Chair

Arbitrator's Signature

  
\_\_\_\_\_  
William J. Capito, Esq.  
Public Arbitrator, Presiding Chair

3-18-05

Signature Date

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