

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

---

In the Matter of the Arbitration Between:

Names of the Claimants  
Stephen and Kay Bolf

Case Number: 03-05283

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

Hearing Site: Charlotte, North Carolina

---

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

REPRESENTATION OF PARTIES

Claimants, Stephen and Kay Bolf, hereinafter referred to as "Claimants", were represented by Michael B. Lynch, Esq., Hooper & Weiss, LLC, Orlando, Florida.

Respondents, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") and Jack B. Grubman ("Grubman"), hereinafter collectively referred to as "Respondents", were represented by Jennifer Tomsen, Esq., Greenberg Traurig P.A., New York, New York.

CASE INFORMATION

Statement of Claim filed on July 18, 2003.

Amended Statement of Claim filed on July 20, 2004.

Claimants signed the Uniform Submission Agreement on April 8, 2003.

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

Statement of Answer to Amended Statement of Claim filed by Respondents on September 21, 2004.

Respondent Grubman signed the Uniform Submission Agreement on September 24, 2003.

A representative of Respondent Citigroup executed the Uniform Submission Agreement on September 23, 2003.

CASE SUMMARY

Claimants asserted the following causes of action, among others: omission of material facts, violation of section 35-1-1210 of the South Carolina Uniform Securities Act, violation of NASD Rule 2210(d)(1), breach of fiduciary duty, and *respondeat superior*. The causes of action relate to the purchase of WorldCom stock due to reliance on Respondents' advice.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: the Statement of Claim fails to state a claim upon which relief may be granted, the claims are barred by the doctrines of

waiver and estoppel, ratification, Claimants failed to exercise due diligence, lack of proximate cause, assumption and acceptance of the risk, laches, and failure to mitigate damages.

RELIEF REQUESTED

Claimants in their Amended Statement of Claim requested:

Compensatory Damages	\$4,600.51
Punitive Damages	amount unspecified
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents in their Statement of Answer requested that the Statement of Claim be denied in its entirety and dismissed with prejudice, and that they be awarded attorneys' fees and costs.

OTHER ISSUES CONSIDERED AND DECIDED

By letter dated March 4, 2005, the parties requested that this case be decided solely on the papers. On March 23, 2005, the Arbitrator granted the request.

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 to and shall pay to Claimant compensatory damages in the amount of \$4,600.51, plus simple interest at a rate of 6% per annum from July 21, 2000 until the date of payment in full;
2. Respondents are jointly and severally liable to and shall pay to Claimant reimbursement of filing fee in the amount of \$50.00;
3. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and
4. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

FEES

Pursuant to 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 firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, Citigroup is a party

Member surcharge = \$200.00

Total Member Fees = \$200.00

Forum Fees and Assessments

The Arbitrator 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: November 2, 2004 1 session

Fee for Decision on the Paper Record = \$125.00

Total Forum Fees = \$250.00

The Arbitrator has assessed \$250.00 of the forum fees to Respondent Citigroup.

SEE SUMMARY

1. Claimant is assessed and shall pay the following fees:

Initial Filing Fee = \$ 50.00

Total Fees = \$ 50.00

Less payments = \$175.00

Refund Owed to Claimant = \$125.00

2. Respondent Citigroup is assessed and shall pay the following fees:

Member Fees = \$200.00

Forum Fees = \$250.00

Total Fees = \$450.00

Less payments = \$200.00

Balance Due NASD Dispute Resolution = \$250.00

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

Sole Arbitrator

Charles Sydnor Thompson, JD

- Public Arbitrator, Sole Arbitrator

**Arbitrator's Signature**

  
Charles Sydnor Thompson, JD  
Public Arbitrator, Sole Arbitrator

August 2, 2005  
Signature Date

August 3, 2005  
Date of Service (For NASD Dispute Resolution office use only)