
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Adrian G. Magrath Trust

Case Number: 03-06454

Names of the Respondents

Citigroup Global Markets, Inc., f/k/a

Salomon Smith Barney, Inc.

Jack B. Grubman

Hearing Site: Boca Raton, FL

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

REPRESENTATION OF PARTIES

For Adrian G. Magrath Trust ("Magrath"), hereinafter referred to as "Claimant": Douglas H. Glicker, Esq., Law Offices of Douglas H. Glicker, P.A., 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: September 5, 2003.

Claimant signed the Uniform Submission Agreement: July 22, 2003.

Statement of Answer filed by Respondents on or about: November 5, 2003.

Respondent Citigroup signed the Uniform Submission Agreement: October 14, 2003.

Respondent Grubman signed the Uniform Submission Agreement: October 6, 2003.

Reply to Answer filed by Claimant on or about: November 18, 2003.

Supplement to Answer and Reply to Claimant's Reply to Answer filed by Respondents on or about: January 23, 2004.

Response to Respondents' Supplement and Reply filed by Claimant on or about: January 28, 2004.

Motion to Supplement Exhibits and to Amend the Statement of Claim filed by Claimant on or about: April 6, 2004.

Amended Statement of Claim filed by Claimant on or about: June 17, 2004.

Answer to Amended Statement of Claim filed by Respondents on or about: July 1, 2004.

Motion in Limine to Exclude Evidence of Settlements and Other Inadmissible Documents filed by Respondents on or about: November 1, 2004.

Response to Motion in Limine to Exclude Evidence of Settlements and other Inadmissible Documents filed by Claimant on or about: November 2, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: 1) omission to state material facts and conflicts of interest in violation of Section 17(A) of the Securities Act of 1933; 2) omission to state material facts and conflicts of interest in violation of Chapter 517.301 of the Florida Securities and Investor Protection Act; 3) omission to state material facts and conflicts of interest in violation of NASD Rule 2210(d)(1), Communications with the Public-General Standards; 4) breach of fiduciary duty; and 5) 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 \$141,936.85, 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 January 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 17, 2004, the Panel issued an Order that granted Claimant's Motion to Supplement Exhibits and to Amend the Statement of Claim.

At the commencement of the evidentiary hearing, the undersigned arbitrators (the "Panel") denied Respondent's Motion in Limine.

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

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:

1. Respondents are liable, jointly and severally, and shall pay to Claimant the sum of \$54,621.27 in compensatory damages, plus pre-judgment interest at the Florida statutory rate from December 31, 2002 until the date of payment of the award. Damages are awarded based upon the claims of violation of Section 17(a) of the

Securities Act of 1933, violation of Section 517.301, Florida Statutes, violation of NASD Rule 2210(d)(1) and respondeat superior.

2. Respondents are liable, jointly and severally, and shall pay to Claimant attorney's fees in an amount to be determined by a court of competent jurisdiction. Attorney's fees are awarded pursuant to Florida Statutes Section 517.211(6).
3. Respondents are liable, jointly and severally, 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.
4. Any and all claims for relief not specifically addressed herein, including Claimant's request for punitive damages and claims for breach of fiduciary duty, 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. Accordingly, Respondent Citigroup is a member firm and a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

Adjournment Fees

Adjournment fees incurred during these proceedings:

No adjournment fees were incurred during these proceedings.

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 during these proceedings.

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 during these proceedings.

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 the Panel @ \$1,125.00/session	= \$1,125.00
Pre-hearing conference: February 9, 2004	1 session
One (1) Pre-hearing session with a single arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: November 12, 2004	1 session
Three (3) Hearing sessions @ \$1,125.00/session	= \$3,375.00
Hearing Date: November 16, 2004	3 sessions
Total Forum Fees	= \$4,950.00

The Panel has assessed the total forum fees of \$4,950.00 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 during these proceedings.

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
<u>Balance Due NASD Dispute Resolution</u>	= \$ 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
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondents Citigroup and Grubman are jointly and severally liable for:


<u>Forum Fees</u>	= \$4,950.00
<u>Total Fees</u>	= \$4,950.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$4,950.00

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
Joel F. Martineau	-	Public Arbitrator
Cary L. Weisman	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


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

11/24/14
Signature Date

Joel F. Martineau
Public Arbitrator

Signature Date

Cary L. Weisman
Non-Public Arbitrator

Signature Date

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

Respondents Citigroup and Grubman are jointly and severally liable for:

<u>Forum Fees</u>	= \$4,950.00
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Cary L. Weissman	-	Non-Public Arbitrator

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

Signature Date



Joel F. Martineau
Public Arbitrator

11/29/04

Signature Date

Cary L. Weissman
Non-Public Arbitrator

Signature Date

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Respondents Citigroup and Grubman are jointly and severally liable for:

<u>Forum Fees</u>	= \$4,950.00
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Signature Date



Cary L. Weissman
Non-Public Arbitrator

11/24/04
Signature Date

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