

**NASD DISPUTE RESOLUTION AWARD**  
**NASD DISPUTE RESOLUTION**

**CASE: 03-06553**

Daniel R. Richardson, Claimant v. Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., and Jack B. Grubman, Respondents.

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**ATTORNEYS:**

For Claimant, Daniel R. Richardson, ("Claimant"), appeared Douglas H. Glicker, Esq., of the Law Offices of Douglas H. Glicker, P.A., Orlando, FL.

For Respondents, Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc., and Jack B. Grubman, ("Respondents"), appeared Bradford D. Kaufman, Esq., of the firm Greenberg Trautig, P.A., West Palm Beach, FL.

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**NATURE OF DISPUTE:** *Customer v. Member and Associated Person*

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**DATE FILED:** September 9, 2003

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**CASE SUMMARY:** Claimant alleged that Respondents violated each of the following: Section 17(a) of the Securities Act of 1933, Chapter 517.301 of Florida Securities and Investor Protection Act, NASD Rule 2210(d)(1), and NYSE Rule 202.02. Claimant additionally alleged that Respondents breached their fiduciary duty, were negligent, and misrepresented and omitted material facts in connection with the offer and sale of WorldCom stock. Claimant further alleged that Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. is liable for its representative, Respondent Jack B. Grubman, under the doctrine of respondeat superior. Claimant maintained that due to Respondents action, his account suffered financial losses.

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**ARBITRATOR'S REPORT:**

This is an action to recover under various theories for non-disclosure of a monetary relationship between a stock brokerage firm and a company whose stock was purchased by the Claimant. Claimant is entitled to recover damages due to the Respondents' failure to make it known to the investing public the financial relationships between the analyst, stock brokerage firm, and the company whose stock was purchased by the Claimant. The February 8, 2001, report is deficient in that it states in very small type that the firm may perform or solicit investment banking or other services from any company recommended in this report. The report concerning WorldCom, Inc., the subject company, failed to disclose the actual relationship between WorldCom and the Respondent Salomon Smith Barney, Inc.

Claimant is awarded \$830.79 with interest in accordance with the Florida rate for interest on judgments since the date of the purchase as follows, 2001-\$54.75, 2002-\$74.77, 2003-\$49.84, 2004-\$8.10. Attorneys' fees are granted pursuant to Chapter 517 Florida Statutes, however, under Florida law attorney's fees are not an arbitratable matter under Florida Statutes Section 682.11 thus the determination of reasonable attorney fees is a matter for the Court. *Tassinari v. Loyer*, 189 So.2d.651 (Fla. 2d DCA 1966). Costs are assessed fifty percent (50%) against Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., and fifty percent (50%) against Jack B. Grubman.

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**Claim Data**

Claim: \$830.79  
Punitive Damages: Unspecified  
Interest: Unspecified  
Attorney Fees: Unspecified  
Filing Fees: Unspecified  
Other: Unspecified

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**Award Data**

Award: \$830.79  
Punitive Damages: \$00  
Interest: \$187.46  
Attorney Fees: Granted  
Filing Fees: \$50.00  
Other: \$00

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**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 and shall pay to the Claimant \$830.79. 2) Respondents are jointly and severally liable and shall pay to the Claimant \$187.46 in interest, in accordance with the Arbitrator's Report above. 3) Respondents are jointly and severally liable and shall pay to the Claimant attorneys' fees in accordance with the Arbitrator's Report above. 4) All requests for punitive damages are denied. 5) All other relief requests are denied. 6) NASD Dispute Resolution shall retain the \$50.00 filing fee that the Claimant deposited previously. 7) Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. is liable and shall pay to the Claimant \$25.00 as reimbursement of one-half of the filing fee. 8) Respondent Jack B. Grubman is liable and shall pay to the Claimant \$25.00 as reimbursement of one-half of the filing fee.

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**OTHER FEES:** Pursuant to Rule 10333 of the Code, Respondent Citigroup Global Markets, Inc., f/k/a Salomon Smith Barney, Inc. has paid to NASD Dispute Resolution the \$150.00 Member Surcharge previously invoiced.

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**ARBITRATOR**

Charles E. Ray, Esq. - Sole Public Arbitrator

**AFFIRMATION**

I, Charles E. Ray, Esq., do hereby affirm, upon my oath as arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.



Charles E. Ray, Esq.



Signature Date

March 31 2004

Date of Service (For NASD-DR office use only)