
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Paul W. Spakowski and
Beverly J. Spakowski, Co Trustees of the
P & B Spakowski Family Trust

Case Number: 03-06788

Names of the Respondents

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

Hearing Site: Orlando, Florida

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

REPRESENTATION OF PARTIES

For Paul W. Spakowski and Beverly J. Spakowski, Co Trustees of the P & B Spakowski Family Trust, hereinafter referred to as "Claimant": Douglas H. Glicken, Esq., Law offices of Douglas H. Glicken, 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": Holly R. Skolnick, Esq., and D. Porpoise Evans, Esq., Greenberg Traurig, P.A., Miami, Florida.

CASE INFORMATION

Statement of Claim filed on or about: September 16, 2003.

Claimant signed the Uniform Submission Agreement: July 23, 2003.

Statement of Answer including Motion to Dismiss and Motion to Strike filed by Respondents on or about: November 14, 2003.

Respondent Citigroup signed the Uniform Submission Agreement: October 23, 2003.

Respondent Grubman signed the Uniform Submission Agreement: October 31, 2003.

Claimant's Reply to Respondents' Answer to Statement of Claim and Claimant's Preliminary Response to Respondents' Motion to Dismiss and Respondents' Motion to Strike filed on or about: November 25, 2003.

Motion to Supplement Exhibits and to Amend the Statement of Claim filed by Claimant on or about: May 28, 2004.

Response to Motion to Supplement Exhibits and to Amend the Statement of Claim filed by Respondents on or about: April 2, 2004.

Amended Statement of Claim filed by Claimant on or about: April 2, 2004.

Answer to Amended Statement of Claim filed by Respondents on or about: July 2, 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), Communications with the Public-General Standards; 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, as amended, and asserted various defenses.

RELIEF REQUESTED

Claimant requested rescissionary damages in the amount of \$39,890.27, an unspecified amount of punitive damages, interest, costs, attorneys' fees and such other relief as deemed appropriate by the Arbitrator.

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 21, 2004, the Arbitrator issued an Order that granted Claimant's Motion to Supplement Exhibits and to Amend the Statement of Claim, subject to Respondents' reserved right to object to the Amended Statement of Claim at the final hearing.

The Arbitrator did not rule on Respondents' Motion to Dismiss and Motion to Strike and those motions are considered moot.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

Respondents Citigroup and Grubman are jointly and severally liable to Claimant in the amount of \$36,555.26 representing compensatory damages.

The Arbitrator has found Respondents Citigroup and Grubman liable to Claimant on the following causes of action: violation of Florida Statute 517, breach of fiduciary duties and respondeat superior.

The Arbitrator awards Claimant attorneys' fees in the amount of \$7,500.00, pursuant to Florida Statute 517 to be paid by Respondents Citigroup and Grubman, jointly and severally.

Respondent Citigroup and Grubman are liable and shall reimburse Claimant the sum of \$175.00, representing the non-refundable filing fee paid by Claimant to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 175.00
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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	= \$ 875.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,000.00
<hr/> Total Member Fees	<hr/> = \$2,625.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed.

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:

There were no three-day cancellation fees assessed 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 arbitrator.

There were no injunctive relief fees assessed during these proceedings.

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

Two (2) Pre-hearing sessions with a single Arbitrator @ \$450.00 per session	= \$ 900.00
Pre-hearing conferences: March 12, 2004 1 session	
December 13, 2004 1 session	
Two (2) Hearing sessions @ \$450.00 per session	= \$ 900.00
Hearing Dates: March 1, 2005 2 sessions	
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Total Forum Fees	= \$1,800.00

The Arbitrator has assessed forum fees in the amount of \$1,800.00 to Respondents Citigroup and Grubman, 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 not limited to, additional copies of Arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is solely liable for:

<u>Initial Filing Fee</u>	= \$ 175.00
Total Fees	= \$ 175.00
<u>Less payments</u>	= \$ 175.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Citigroup is solely liable for:

<u>Member Fees</u>	= \$2,625.00
Total Fees	= \$2,625.00
<u>Less payments</u>	= \$2,625.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents Citigroup and Grubman are jointly and severally liable for:

