
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

John R. Powers, TTEE FBO John R. Powers
Mary L. Powers as TTEE of the Mary L.
Powers Living Trust

Case Number: 04-04010

Names of the Respondents

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

Hearing Site: Tampa, Florida

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

REPRESENTATION OF PARTIES

For John R. Powers, TTEE FBO John R. Powers and Mary L. Powers as TTEE of the Mary L. Powers Living Trust, hereinafter collectively referred to as "Claimants": William B. Young, Esq., Hooper and 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 collectively referred to as "Respondents": Jennifer Tomsen, Esq., Greenberg Traurig, Orlando, Florida.

CASE INFORMATION

Statement of Claim filed on or about: May 31, 2004.

Claimants signed the Uniform Submission Agreement: July 15, 2003.

Statement of Answer filed by Respondents on or about: August 13, 2004.

Respondent Citigroup signed the Uniform Submission Agreement: July 4, 2004.

Respondent Grubman signed the Uniform Submission Agreement: July 17, 2004.

CASE SUMMARY

Claimants 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 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 the Claimants' investment in WorldCom stock.

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

RELIEF REQUESTED

Claimants requested: 1) rescissionary damages in the amount of \$58,656.97; 2) punitive damages in the amount of \$10,000.00; 3) interest; 4) costs; 5) attorneys' fees; and, 6) such other relief as deemed appropriate by the undersigned arbitrators (the "Panel").

Respondents requested that Claimants' Statement of Claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Grubman, having filed with NASD Dispute Resolution a properly executed submission to arbitration, is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim and appeared through counsel at the hearing, is bound by the determination of the Panel on all issues submitted.

On or about June 29, 2005, Respondents filed a Motion in Limine to Exclude Evidence of Settlements and Other Inadmissible Documents. On or about June 29, 2005, Claimants filed their Response. On or about July 21, 2005, the parties informed the Panel that the motion was withdrawn and resolved.

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, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Claimant's claims against Respondent Grubman are denied in their entirety.

Respondent Citigroup is liable and shall pay to Claimants compensatory damages in the amount of \$15,978.00, plus interest at the rate of 6% per annum that shall accrue from March 7, 2001 until the date of payment of the Award. The Panel finds Respondent Citigroup liable for violation of Section 517.301(1)(a)(2), Florida Statutes. The Panel did not find Respondent Citigroup liable on all other claims.

Respondent Citigroup is liable and shall pay to Claimants attorneys' fees in an amount to be determined by a court of competent jurisdiction. Attorneys' fees are awarded pursuant to Section 517.211(6), Florida Statutes.

Respondent Citigroup is liable and shall reimburse Claimants the sum of \$225.00 representing reimbursement of the claim filing fee previously paid by Claimants to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages, is denied

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 = \$ 225.00

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. Accordingly, Citigroup is a party and a member firm.

Member surcharge	= \$1,100.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$1,700.00</u>
Total Member Fees	= \$3,550.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournment fees assessed 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:

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 panel.

There were no injunctive relief fees assessed 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 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 Panel @ \$750.00/session = \$ 750.00
Pre-hearing conference: October 15, 2004 1 session

Two (2) Hearing sessions with Panel @ \$750.00/session = \$1,500.00
Hearing Date: July 21, 2005 2 sessions

Total Forum Fees = \$2,250.00

The Panel has assessed the total forum fees of \$2,250.00 to Respondent Citigroup.

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

Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 225.00
<u>Total Fees</u>	= \$ 225.00
<u>Less payments</u>	= \$ 225.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Citigroup is solely liable for:

Member Fees	= \$3,550.00
<u>Forum Fees</u>	= \$2,250.00
<u>Total Fees</u>	= \$5,800.00
<u>Less payments</u>	= \$4,150.00
Balance Due NASD Dispute Resolution	= \$1,650.00

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

ARBITRATION PANEL

Gayle B. Carlson, Esq. - Public Arbitrator, Presiding Chairperson
John P. Cullem, Esq. - Public Arbitrator

Mary E. King, Esq.

-

Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Gayle B. Carlson, Esq.
Public Arbitrator, Presiding Chairperson

July 26, 2005
Signature Date

/s/
John P. Cullem, Esq.
Public Arbitrator

July 27, 2005
Signature Date

/s/
Mary E. King, Esq.
Non-Public Arbitrator

July 25, 2005
Signature Date

July 27, 2005
Date of Service (For NASD Dispute Resolution office use only)

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Mary E. King, Esq.

Non-Public Arbitrator

Concurring Arbitrators' Signatures

Gayle B. Carlson
Gayle B. Carlson, Esq.
Public Arbitrator, Presiding Chairperson

7/26/05
Signature Date

John P. Cullem, Esq.
Public Arbitrator

Signature Date

Mary E. King, Esq.
Non-Public Arbitrator

Signature Date

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Mary E. King, Esq.

Non-Public Arbitrator

Concurring Arbitrators' Signatures

Gayle B. Carlson, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



John P. Cullem, Esq.
Public Arbitrator



Signature Date

Mary E. King, Esq.
Non-Public Arbitrator

Signature Date

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Mary E. King, Esq.

Non-Public Arbitrator

Concurring Arbitrators' Signatures

Gayle B. Carlson, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

John P. Cullen, Esq.
Public Arbitrator

Signature Date



Mary E. King, Esq.
Non-Public Arbitrator

7/25/05
Signature Date

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