

**Citi Brokerage Client To Get \$1.55 Million**

WorldCom investment handled improperly in Salomon account  
*Bloomberg News* -

12/24/03 - Citigroup, the world's largest financial company, will pay client Linda Nash more than \$1.5 million for improperly handling her WorldCom Inc. investment, the NASD said yesterday.

It is the largest amount awarded to a claimant against Citigroup this year, according to the NASD's Web site.

A three-member NASD hearing panel found that Mark Clayton Callaway, a Salomon Smith Barney broker based in Atlanta, and Salomon Smith Barney Inc. were liable for Nash's "claims of breach of contract and negligence and for violations of federal and state laws," the NASD said.

Nash, who was awarded a total of \$1.55 million, made the claims to the NASD based on her investments in WorldCom, the bankrupt long-distance telephone company.

"Any time you get an award of this size it's exceptional," said Anthony Sabino, an associate professor of law at St. John's University who has defended securities firms and serves as an NASD arbitrator. "The size of the award will make disgruntled investors more emboldened to go to the NASD."

So far this year, there have been 55 claims settled against Citigroup, not including those settled out of the hearing process by both sides, according to the NASD Web site. Through October, NASD hearing panels have awarded \$144 million to claimants, compared with \$139 million for all of last year, said the organization, formerly known as the National Association of Securities Dealers.

Citigroup spokeswoman Susan Thomson and NASD spokesman Michael Shokouhi declined to comment. Philip Darke, an attorney with Rogers & Hardin, one of Salomon Smith Barney's attorneys, didn't return calls seeking comment. Nash's attorney, Raymond Moss of Sims Moss Kline & Davis LLP, based in Atlanta, didn't return calls seeking comment.

Former Salomon Smith Barney telecommunications analyst Jack Grubman, WorldCom founder Bernard Ebbers, Citigroup and other banks are accused of misrepresenting WorldCom's financial condition before the company filed the largest bankruptcy in U.S. history. Grubman, who left Citigroup in 2002, paid \$15 million to settle charges that he tailored his stock ratings to win investment-banking business for Citigroup.

"The tide has indeed gone against the Terrible Ten brokerage houses," said Sabino, referring to the 10 securities firms who agreed to pay \$1.4 billion to regulators for providing misleading research to investors.

Callaway, 47, began working at Smith Barney in June 1989 in LaGrange, Ga., and is listed by NASD BrokerCheck as being employed by Citigroup Global Markets Inc. in Atlanta. Callaway, who didn't have any other customer complaints on his NASD records, didn't return calls seeking comment.

Callaway is a grandson of Georgia industrialist Fuller Callaway, who founded Callaway Mills. Mark Callaway is a trustee of the Callaway Foundation.

Nash said in her complaint filed March 5, 2002, that Salomon Smith Barney improperly handled her account between approximately November 1999 and April 2001.