

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

William G. Rowan III, Claimant vs. Salomon Smith Barney, Inc., Ted Jung and Jerrold L. Eberhardt, Respondents.

Case Number: 00-00865

Hearing Site: Honolulu, Hawaii

REPRESENTATION OF PARTIES

For Claimant:

William G. Rowan III
Honolulu, Hawaii

For Respondents:

Shannon Hobbs
Salomon Smith Barney, Inc.
San Francisco, California

CASE INFORMATION

Statement of Claim filed on or about: February 25, 2000

First Amended Statement of Claim filed on or about: April 20, 2001

Claimant, William G. Rowan III, signed the Uniform Submission Agreement on or about:
February 17, 2000

Joint Statement of Answer filed by Respondents, Salomon Smith Barney, Inc. ("Salomon Smith Barney"), Ted Jung ("Jung") and Jerrold L. Eberhardt ("Eberhardt"), on or about: May 26, 2000
Respondent, Salomon Smith Barney, signed the Uniform Submission Agreement: February 17
and May 26, 2000

Respondent, Jung, signed the Uniform Submission Agreement: May 30, 2000

Respondent, Eberhardt, signed the Uniform Submission Agreement: May 30, 2000

CASE SUMMARY

Claimant alleged that he was employed at the Honolulu branch of Salomon Smith Barney from 1992 - 1998, and further alleged that a dispute arose between Mr. Jung and Claimant regarding the assignment of accounts from a departing broker and the commissions earned from trades Claimant recommended and completed that Mr. Jung gave to another broker. Claimant further alleged the following claims with respect to his employment with Salomon Smith Barney: 1) Breach of Contract; 2) Promissory Estoppel; 3) Misrepresentation/Fraud; 4) Unjust Enrichment; 5) Defamation; 6) Libel; 7) Malice; and 8) Libel Per Se.

Respondents denied Claimant's allegations of wrongdoing and denied any liability to Claimant. Respondents alleged that all complaints and concerns raised surrounding nepotism and unfair distribution of accounts were thoroughly investigated and all parties received a written response stating that there was no merit to the allegations. Respondents further alleged that Mr. Jung made an extra effort to articulate the Account Distribution Policy in writing and verbally. Respondents further alleged that due to lack of production and performance, Mr. Rowan failed to meet the minimum criteria for many of the account distributions.

RELIEF REQUESTED

Claimant requested damages in the amount of \$1,000,000.

Respondents requested dismissal of Claimant's claims.

OTHER ISSUES CONSIDERED AND DECIDED

The Panel noted Salomon Smith Barney's agreement to pay the filing fees in this matter.

The Panel permitted the filing of Claimant's Amendment to Claim of April 20, 2001.

The parties have 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 Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Salomon Smith Barney, Jung and Eberhardt are jointly and severally liable for and shall pay to Claimant the sum of \$8,000.00, in satisfaction of Claimant's claims. The aforementioned award amount shall bear interest in accordance with Rule 10330(h) of the NASD-DR Code of Arbitration Procedure ("the Code").

2. Each party shall bear its own costs, including any attorney's fees.

3. All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. ("NASD-DR") will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$375.00

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. In this matter, the member firm is a party.

Member surcharge = \$2,000.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$3,500.00

Total Member Fees = \$6,100.00

Forum Fees and Assessments

The Panel has the authority to assess forum fees for each hearing session conducted. A hearing 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 conference session with Panel x \$1,200.00 = \$1,200.00

Pre-hearing conference: November 20, 2000 1 session

One (1) Pre-hearing conference session with a single arbitrator x \$450.00 = \$450.00

Pre-hearing conference: March 16, 2001 1 session

Seven (7) Hearing sessions x \$1,200.00 = \$8,400.00

Hearings: June 4, 2001 2 sessions

June 5, 2001 2 sessions

June 6, 2001 2 sessions

June 7, 2001 1 session

Total Forum Fees = \$10,050.00

1. The Panel has assessed the \$10,050.00 in forum fees jointly and severally to Respondents, Salomon Smith Barney, Jung and Eberhardt.

NASD Dispute Resolution, Inc.

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Fee Summary

1. Respondent, Salomon Smith Barney, is charged with the following fees and costs:

Initial Filing Fee	= \$ 375.00
<u>Member Fees</u>	= \$6,100.00
Total Fees	= \$6,475.00
<u>Less payments</u>	= \$6,475.00
Balance Due NASD-DR	= \$ 0.00

2. Respondents, Salomon Smith Barney, Jung and Eberhardt are charged jointly and severally with the following fees and costs:

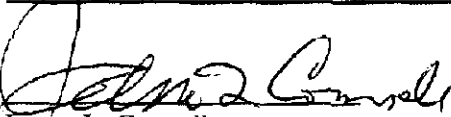
<u>Forum Fees</u>	= \$10,050.00
Total Fees	= \$10,050.00
<u>Less payments</u>	= \$ 1,200.00
Balance Due NASD-DR	= \$ 8,850.00

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

ARBITRATION PANEL

James L. Connell	-	Public Arbitrator, Presiding Chair
Donald E. Fisher, Jr., Esq.	-	Public Arbitrator
Robert Shiffra, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



James L. Connell
Public Arbitrator, Presiding Chair

06 15 01
Signature Date

Donald E. Fisher, Jr., Esq.
Public Arbitrator

Signature Date

Robert Shiffra, Esq.
Non-Public Arbitrator

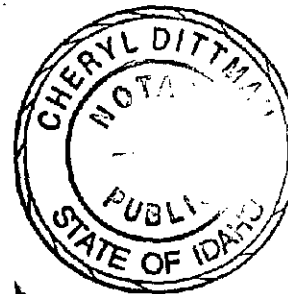
Signature Date

STATE OF Idaho SS.:

COUNTY OF Kootenai

On this 15 day of June 2001, before me personally appeared James L. Connell to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

Cheryl Dittman 06.24.03



Date Served:

JUN 21 2001

Date of Service (For NASD office use only)

Fee Summary

1. Respondent, Salomon Smith Barney, is charged with the following fees and costs:

Initial Filing Fee	= \$ 375.00
<u>Member Fees</u>	<u>= \$6,100.00</u>
Total Fees	= \$6,475.00
<u>Less payments</u>	<u>= \$6,475.00</u>
Balance Due NASD-DR	= \$ 0.00

2. Respondents, Salomon Smith Barney, Jung and Eberhardt are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	<u>= \$10,050.00</u>
Total Fees	= \$10,050.00
<u>Less payments</u>	<u>= \$ 1,200.00</u>
Balance Due NASD-DR	= \$ 8,850.00

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

ARBITRATION PANEL

James L. Connell	-	Public Arbitrator, Presiding Chair
Donald E. Fisher, Jr., Esq.	-	Public Arbitrator
Robert Shiffra, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

James L. Connell
Public Arbitrator, Presiding Chair

Signature Date


Donald E. Fisher, Jr., Esq.
Public Arbitrator

6/15/2001
Signature Date

Robert Shiffra, Esq.
Non-Public Arbitrator

Signature Date

NASD Dispute Resolution, Inc.

Arbitration No. 00-00865

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STATE OF Texas SS.:

COUNTY OF Harris

On this 15th day of June 2001, before me personally appeared Donald E. Fisher Jr. to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

Angela Nino



Date Served:

JUN 21 2001

Date of Service (For NASD office use only)

Fee Summary

1. Respondent, Salomon Smith Barney, is charged with the following fees and costs:

Initial Filing Fee	= \$ 375.00 ✓ u
<u>Member Fees</u>	= \$6,100.00
Total Fees	= \$6,475.00
<u>Less payments</u>	= \$6,475.00
Balance Due NASD-DR	= \$ 0.00

2. Respondents, Salomon Smith Barney, Jung and Eberhardt are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	= \$10,050.00
Total Fees	= \$10,050.00
<u>Less payments</u>	= \$ 1,200.00 ✓ u
Balance Due NASD-DR	= \$ 8,850.00

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

ARBITRATION PANEL

James L. Connell	-	Public Arbitrator, Presiding Chair
Donald E. Fisher, Jr., Esq.	-	Public Arbitrator
Robert Shiffra, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

James L. Connell
Public Arbitrator, Presiding Chair


Signature Date

Donald E. Fisher, Jr., Esq.
Public Arbitrator

Signature Date



Robert Shiffra, Esq.
Non-Public Arbitrator



Signature Date

STATE OF OHIO SS.:

COUNTY OF Cuyahoga

On this 15TH day of JUNE 2001, before me personally appeared Robert S. Sisk to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

Linda A. Thompson

LINDA A. THOMPSON, Notary Public
State of Ohio, Cuyahoga County
My Commission Expires Sept. 19, 2002

Date Served:

JUN 21 2001

Date of Service (For NASD office use only)