

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Stephen Seplowe and Harry V. Mardigan (Claimants) v. Citigroup Global Markets, Inc. f/k/a  
Salomon Smith Barney, Inc. (Respondent)

Case Number: 03-00349

Hearing Site: Albany, New York

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Nature of the Dispute: Associated Persons vs. Member.

**REPRESENTATION OF PARTIES**

Claimants Stephen Seplowe ("Seplowe") and Harry V. Mardigan ("Mardigan") hereinafter collectively referred to as "Claimants": James M. Reilly, Esq., Herzog, Engstrom & Koplovitz, P.C., Albany, NY.

Respondent Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("Citigroup") hereinafter referred to as "Respondent": Marcie S. Mintz, Esq., Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc., New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: January 13, 2003.

Claimants signed the Uniform Submission Agreement: November 22, 2002.

Statement of Answer filed by Respondent on or about: March 11, 2003.

Respondent signed the Uniform Submission Agreement: March 11, 2003.

**CASE SUMMARY**

Claimants asserted the following causes of action: breach of employment contracts; breach of the covenant of good faith and fair dealing; harassment; interference; breach of fiduciary duty; coercion.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim.

**RELIEF REQUESTED**

Claimants requested damages in the amount of \$276,000.00, representing their share of projected

revenues for calendar year 2002; damages in the amount of \$3,804,000.00, their share of projected revenues from the Northeast Health account from 2003 through 2011; damages in the amount of \$320,000.00 in the lost PaineWebber bonus; and damages in the amount of \$15,528.73 in their vested benefits under the Capital Accumulative Plan.

Respondent requested that the Panel dismiss the Statement of Claim in its entirety and award Respondent costs and attorneys' fees.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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, and 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. Claimants' claims are denied in their entirety.
2. Any and all relief not specifically addressed herein 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	= \$600.00
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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 persons at the time of the events giving rise to the dispute. Accordingly, Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. is a party.

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

October 26-28, 2004, adjournment by Respondent	= Waived
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**Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel @ \$1,200.00 = \$2,400.00

Pre-hearing conferences:      September 9, 2003      1 session  
   October 27, 2004      1 session

Four (4) Hearing sessions @ \$1,200.00 = \$4,800.00

Hearing Dates:              April 12, 2005              2 sessions  
   April 13, 2005              2 sessions

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Total Forum Fees = \$7,200.00

1. The Panel has assessed \$3,600.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$3,600.00 of the forum fees against Respondent.

**Fee Summary**

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 3,600.00
Total Fees	= \$ 4,200.00
Less payments	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 2,400.00

2. Respondent is solely liable for:

Member Fees	= \$ 8,550.00
Forum Fees	= \$ 3,600.00
Total Fees	= \$12,150.00
Less payments	= \$10,750.00
Balance Due NASD Dispute Resolution	= \$ 1,400.00

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

**ARBITRATION PANEL**

Richard N. Goldstein, Esq.	-	Public Arbitrator, Presiding Chairperson
Lowell D. Johnston, Esq.	-	Public Arbitrator
Vincent Micciche, Jr.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Richard N. Goldstein  
Richard N. Goldstein, Esq.  
Public Arbitrator, Presiding Chairperson

5/4/05  
Signature Date

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Lowell D. Johnston, Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Vincent Micciche, Jr.  
Non-Public Arbitrator

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Signature Date

May 5, 2005  
Date of Service (For NASD Dispute Resolution use only)

**ARBITRATION PANEL**

Richard N. Goldstein, Esq.

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Public Arbitrator, Presiding Chairperson

Lowell D. Johnston, Esq.

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Public Arbitrator

Vincent Micciche, Jr.

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Non-Public Arbitrator

**Declaration of Arbitration**

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual designated herein and who executed this instrument which is

Richard N. Goldstein, Esq.

Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

  
Lowell D. Johnston, Esq.

Public Arbitrator

5/4/05  
Signature Date

Vincent Micciche, Jr.

Non-Public Arbitrator

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Signature Date

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ARBITRATION PANEL

Richard N. Goldstein, Esq.	-	Public Arbitrator, Presiding Chairperson
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Concurring Arbitrators' Signatures

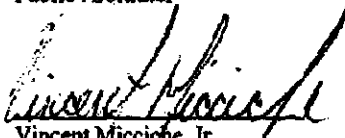
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\_\_\_\_\_  
Richard N. Goldstein, Esq.  
Public Arbitrator, Presiding Chairperson

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Signature Date

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Lowell D. Johnston, Esq.  
Public Arbitrator

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