

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

The Smith Barney Division of Citigroup Global Markets
f/k/a Salomon Smith Barney, Inc.

Case Number: 04-07739

Name of the Respondent

Vincent T. Lowry

Hearing Site: Philadelphia, PA

Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

Claimant, The Smith Barney Division of Citigroup Global Markets f/k/a Salomon Smith Barney, Inc. ("Smith Barney") hereinafter referred to as "Claimant", was represented by Molly J Tatman, Esq., Gehring, Tatman & Satriale, L.L.C., New York, New York.

Respondent, Vincent T. Lowry hereinafter referred to as "Respondent", was represented by Glenn S. Gitomer, Esq. and Jean Price Hanna, Esq., McCausland, Keen & Buckman, P.C., Radnor, Pennsylvania.

CASE INFORMATION

Statement of Claim filed on November 5, 2004.

A representative of Claimant executed the Uniform Submission Agreement on November 5, 2004.

Claimant filed a Reply to Statement of Answer and Counterclaim on March 25, 2005.

Statement of Answer and Counterclaim filed by Respondent on or about February 23, 2005.

CASE SUMMARY

Claimant asserted the following causes of action, among others: breach of contract, conversion, misappropriation, breach of fiduciary duty, tortuous interference with business relations, and unlawful and unfair means of competition. The causes of action relate to the employment agreement between Claimant and Respondent.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Claimant's damages, if any, were not proximately caused by Respondent, any decline in commissions received by Claimant from the institutional clients was caused by free-market competition and events outside the control of Respondent, and failure to mitigate damages.

In his Counterclaim, Respondent/Counterclaimant asserted the following causes of action: defamation, tortious interference with business relations, and tortious interference with prospective business relations.

Unless specifically admitted in its Reply to the Counterclaim, Claimant denied the allegations made in the Counterclaim.

RELIEF REQUESTED

Claimant in its Statement of Claim requested that the Arbitration Panel (the "Panel") issue a permanent injunction against Respondent; and that Claimant be awarded unspecified compensatory damages, costs, interest, and reasonable attorneys' fees.

Respondent in his Statement of Answer and Counterclaim requested that the Statement of Claim be denied in its entirety, and that the Panel award Respondent unspecified compensatory damages plus interest, attorneys' fees, and costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent did not file with NASD Dispute Resolution, a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

Claimant elected to proceed pursuant to Rule 10335 of the NASD Code of Arbitration Procedure (the "Code") and obtained a Preliminary Injunction and Temporary Restraining Order from the United States District Court for the Eastern District of Pennsylvania on November 5, 2004. On November 9, 2004 the Court vacated the aforementioned Order and the arbitration case was then processed under Rule 10313 and Rule 10308 of the Code.

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. All claims against Respondent Lowry are denied in their entirety;
2. All counterclaims against Claimant/Counter-Respondent Smith Barney are denied in their entirety;
3. All claims for punitive damages and attorneys' fees are denied in their entirety;

4. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and
5. Any and all relief not specifically addressed herein is denied in its entirety.

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	= \$ 500.00
Counterclaim filing fee	= \$ 250.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, Respondent Smith Barney is a party.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,200.00
Total Member Fees	= \$ 4,450.00

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.

Member firm Smith Barney is assessed:

Injunctive relief surcharge	= \$ 2,500.00
-----------------------------	---------------

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:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$ 900.00
Pre-hearing conferences: October 27, 2005 1 session	
November 7, 2005 1 session	
Two (2) Pre-hearing sessions with Panel @ \$1,000.00	= \$ 2,000.00
Pre-hearing conferences: June 16, 2005 1 session	

November 28, 2005 1 session

Ten (10) Hearing sessions @ \$1,000.00 = \$10,000.00

Hearing Dates: December 14, 2005 2 sessions
December 19, 2005 2 sessions
December 20, 2005 2 sessions
December 21, 2005 2 sessions
February 6, 2006 2 sessions

Total Forum Fees = \$12,900.00

1. The Panel has assessed \$6,450.00 of the forum fees to Claimant.
2. The Panel has assessed \$6,450.00 of the forum fees to Respondent.

EEE SUMMARY

1. Claimant is assessed and shall pay the following fees:

Initial Filing Fee	= \$ 500.00
Member Fees	= \$ 4,450.00
Injunctive Relief Fees	= \$ 2,500.00
Forum Fees	= \$ 6,450.00
Total Fees	= \$13,900.00
Less payments	= \$ 8,450.00
Balance Due NASD Dispute Resolution	= \$ 5,450.00

2. Respondent is assessed and shall pay the following fees:

Initial Filing Fee	= \$ 250.00
Forum Fees	= \$6,450.00
Total Fees	= \$6,700.00
Less payments	= \$ 00.00
Balance Due NASD Dispute Resolution	= \$6,700.00

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

ARBITRATION PANEL

Mariann Edith Schick, Esq.	-	Public Arbitrator, Presiding Chairperson
Timothy J. Brown, Esq.	-	Public Arbitrator, Panelist
Catherine Ladnier	-	Non-Public Arbitrator, Panelist

02/10/2006 17:06 FAX 202 728 8082

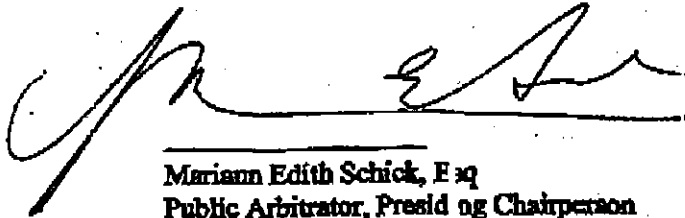
NASD DISPUTE RESOLUTION

NASD Dispute Resolution

Arbitration No. 04007739

Award Page 5

Concurring Arbitrator's Signatures

 2/11/06
Mariann Edith Schick, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Timothy J. Brown, Esq.
Public Arbitrator, Panelist

Signature Date

Catherine Ladnier
Non-Public Arbitrator, Panelist

Signature Date

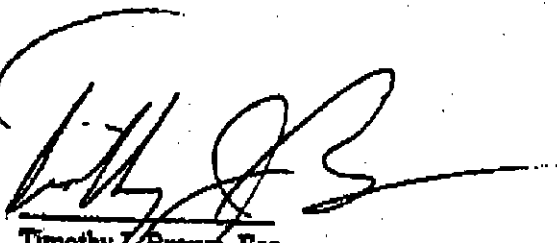
2/9/06
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution
Arbitration No. 04007739
Award Page 1

Concurring Arbitrator's Signatures

Mariann Edith Schick, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


Timothy J. Brown, Esq.
Public Arbitrator, Panelist

2/13/06
Signature Date

Catherine Ladnier
Non-Public Arbitrator, Panelist

Signature Date

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

02/10/2006 17:08 FAX 202 728 8082

NASD DISPUTE RESOLUTION

007/007

NASD Dispute Resolution
Arbitration No. 04007739
Award Page 5

Concurring Arbitrator's Signatures

Mariann Edith Schick, Esq.
Public Arbitrator, Presiding Chairperson

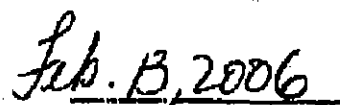
Signature Date

Timothy J. Brown, Esq.
Public Arbitrator, Panelist

Signature Date



Catherine Ladnier
Non-Public Arbitrator, Panelist



Signature Date

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