

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

A. G. Edwards & Sons, Inc. (Claimant) vs. Charles J. Cavanaugh (Respondent) vs.
Citigroup Global Markets, Inc. (Third Party Respondent)

Case Number: 05-00637

Hearing Site: Hartford, Connecticut

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

REPRESENTATION OF PARTIES

Claimant A. G. Edwards & Sons, Inc. ("Edwards") hereinafter referred to as "Claimant":
Nuviah Shirazi, Esq., A. G. Edwards & Sons, Inc., St. Louis, MO.

Respondent Charles J. Cavanaugh ("Cavanaugh") hereinafter referred to as
"Respondent": Mark S. Gregory, Esq., Kelley Drye & Warren LLP, Stamford, CT.

Third Party Respondent Citigroup Global Markets, Inc. ("Citigroup") hereinafter referred
to as "Third Party Respondent": Molly J. Tatman, Esq., Gehring Tatman & Satriale, LLC,
New York, NY. Previously represented by David N. Kittredge, Esq., Luboja & Thau,
LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: January 31, 2005.
Amended Statement of Claim filed on or about: October 26, 2005.
Claimant signed the Uniform Submission Agreement: January 31, 2005.

Statement of Answer and Third Party Claim filed by Respondent on or about: May 11,
2005.
Respondent signed the Uniform Submission Agreement: May 10, 2005.

Statement of Answer filed by Third Party Respondent on or about: September 15,
2005.
Third Party Respondent did not submit the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following cause of action: breach of contract. The cause of action
relates to the parties' employment agreement.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

In his Third Party Claim, Respondent asserted the following causes of action: breach of contract.

Unless specifically admitted in its Answer, Third Party Respondent denied the allegations made in the Third Party Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$50,000 plus interest at ten percent per annum from January 9, 2004 to the date paid, costs, attorneys' fees and such other relief the panel deems proper. In its Amended Statement of Claim, Claimant reduced its request for damages to \$35,000.00.

In his Third Party Claim, Respondent requested compensatory damages in the amount of \$35,000, attorneys' fees, costs, punitive damages and such further and additional amounts that the Panel deems just and appropriate.

Third Party Respondent requested that the panel deny the Third Party Claim in its entirety and award it attorneys' fees and costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Citigroup did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement 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.

At the hearing, Third Party Respondent filed a Motion in Limine to dismiss Respondent's Third Party complaint and to exclude testimony regarding oral agreements. After due deliberation the Panel denied the motion.

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. Third Party Respondent Citigroup is liable for and shall pay to Respondent Cavanaugh compensatory damages in the amount of \$22,750.00.
2. Respondent Cavanaugh is liable for and shall pay to Claimant Edwards

compensatory damages in the amount of \$22,750.00 upon receipt of the funds from Third Party Respondent Citigroup.

3. Any and all relief not specifically addressed herein, including 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	= \$ 1,000.00
Third Party Claim filing fee	= \$ 175.00

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 person at the time of the events giving rise to the dispute. Accordingly, A. G. Edwards & Sons, Inc. and Citigroup Global Markets, Inc. are parties.

Member surcharge	= \$ 875.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

May 23, 2006 adjournment by all parties	= Waived
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Forum Fees and Assessments

The Arbitrator (Panel) has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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 @ \$600.00	= \$ 600.00
Pre-hearing conference: September 7, 2005 1 session	

Two (2) Hearing sessions @ \$600.00 per session	= \$1,200.00
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Hearing Date: May 24, 2006 2 sessions

Total Forum Fees	= \$1,800.00
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1. The Panel has assessed \$600.00 of the forum fees to Claimant.
2. The Panel has assessed \$600.00 of the forum fees to Respondent.
3. The Panel has assessed \$600.00 of the forum fees to Third Party Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$2,625.00
Forum Fees	= \$ 600.00
Total Fees	= \$4,225.00
Less payments	= \$4,225.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent is solely liable for:

Filing Fee	= \$ 175.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 775.00
Less payments	= \$ 775.00
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Third Party Respondent is liable for:

Member Fees	= \$2,625.00
Forum Fees	= \$ 600.00
Total Fees	= \$3,225.00
Less payments	= \$2,625.00
Balance Due NASD Dispute Resolution	= \$ 600.00


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

ARBITRATION PANEL

Orestes J. Mihaly, Esq.	-	Non-Public Arbitrator, Presiding Chairperson
David Crystal, II	-	Non-Public Arbitrator
Henry Maringer	-	Non-Public Arbitrator

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, which is my award.

Concurring Arbitrators' Signatures



Orestes J. Mihaly, Esq.
Non-Public Arbitrator, Presiding Chairperson

5/31/06

Signature Date

David Crystal, II
Non-Public Arbitrator

Signature Date

Henry Maringer
Non-Public Arbitrator

Signature Date

June 2, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

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David Crystal, II	-	Non-Public Arbitrator
Henry Maringer	-	Non-Public Arbitrator

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Orestes J. Mihaly, Esq.
Non-Public Arbitrator, Presiding Chairperson

Signature Date



David Crystal, II
Non-Public Arbitrator

May 31, 2006

Signature Date

Henry Maringer
Non-Public Arbitrator

Signature Date

June 2, 2006

Date of Service (For NASD Dispute Resolution use only)

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Non-Public Arbitrator, Presiding Chairperson

Signature Date

David Crystal, II
Non-Public Arbitrator

Signature Date



Henry Maringer
Non-Public Arbitrator

6-1-06

Signature Date

June 2, 2006

Date of Service (For NASD Dispute Resolution use only)