
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Citigroup Global Markets, Inc.
d/b/a/ Smith Barney

Case Number: 06-02230

Names of the Respondents
J. Tom King
Walter Woodrick
Raymond James & Associates, Inc.

Hearing Site: Tampa, Florida

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

REPRESENTATION OF PARTIES

For Citigroup Global Markets, Inc. d/b/a/ Smith Barney ("Citigroup or Smith Barney"), hereinafter referred to as "Claimant": Andre R. Perron, Esq., Ozark, Perron & Nelson, P.A., Bradenton, Florida.

For J. Tom King ("King"), Walter Woodrick ("Woodrick") and Raymond James & Associates, Inc. ("RJA"), hereinafter collectively referred to as "Respondents": Michael Grecco, Esq., Saul Ewing, LLP, Wayne, Pennsylvania.

CASE INFORMATION

Statement of Claim and Request for Permanent Injunctive Relief and For Damages filed on or about: May 3, 2006.

Claimant did not file an executed Uniform Submission Agreement.

Answer to Statement of Claim and Counterclaim of Respondents Woodrick and King filed by Respondents Woodrick and King on or about: May 19, 2006.

Respondent RJA did not submit an Answer to the Statement of Claim.

Respondents King, Woodrick and RJA did not file executed Uniform Submission Agreements.

Unopposed Motion to Amend the Statement of Claim filed by Claimant on or about: July 27, 2006.

Amended Statement of Claim filed by Claimant on or about: July 27, 2006.

Respondents King, Woodrick and RJA did not submit an Answer to the Amended Statement of Claim.

Joint Stipulation and Motion to Dismiss Complaint and Vacate Preliminary Injunction filed by the parties on or about: October 19, 2006.

CASE SUMMARY

Claimant asserted the following causes of action: 1) unfair competition/raiding/violation of industry standards; 2) tortious interference with business relationships; 3) aiding and abetting the breach of fiduciary duty; 4) conversion; 5) breach of Smith Barney's Joint Agreement and other policies; 6)

misappropriation of trade secrets; 7) violation of the Computer Fraud and Abuse Act; 8) breach of promissory note; 9) breach of contract; and 10) overpaid compensation as to Respondent Woodrick. The causes of action relate to Claimant's previous employment of Respondents King and Woodrick and Respondents King's and Woodrick's subsequent employment with Respondent RJA.

Unless specifically admitted in their Answer, Respondents King and Woodrick denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In their counterclaim against Claimant, Respondents King and Woodrick asserted the following causes of action: 1) defamation; 2) unfair competition; and 3) tortious interference with a business relationship.

RELIEF REQUESTED

Claimant requested the following: 1) a permanent injunction restraining and enjoining Respondents RJA, King and Woodrick, and all persons acting on their behalf, and all persons acting in concert with them from: a) initiating any further contact or communications with any clients of Smith Barney with whom King and Woodrick served or whose name became known to King and Woodrick in the employ of Smith Barney, for the purpose of advising said clients of their new affiliation or for the purpose of soliciting or encouraging the transfer of any accounts or business patronage from Smith Barney, b) soliciting any business from any client with whom Respondents solicited from Smith Barney for the purpose of doing business at RJA, c) using, disclosing or transmitting information contained in the records of Smith Barney, d) aiding or abetting or assisting in the breach of any contractual obligations owed by any employee of Smith Barney, and e) soliciting or recruiting any employee, staff or registered representative from Smith Barney's Panama City Office ; 2) an order of the immediate return to Smith Barney of all original Smith Barney records and other documents or records containing customers names and other account related information, any copies thereof in whatever form, even if independently created at RJA from memory; 3) \$5,000,000.00 in compensatory damages; 4) unspecified punitive damages; 5) costs and expenses; 6) reasonable attorneys' fees; 7) an award of compensatory damages in the amount of \$11,642.86 for breach of a promissory note as to Respondent Woodrick; 8) an award of interest for breach of a promissory note as to Respondent Woodrick; 9) an award of costs for breach of a promissory note as to Respondent Woodrick; 10) an award of compensatory damages in the amount of \$19,134.82 for overpaid compensation as to Respondent King; and 11) an award of compensatory damages in the amount of \$27,521.80 for overpaid compensation as to Respondent Woodrick.

In their counterclaim, Respondents King and Woodrick requested the following: 1) that Smith Barney's claims and request for relief be denied in their entirety and that the injunctive relief issued by the Court in the related Court action be vacated in its entirety; 2) attorneys' fees pursuant to Florida Statute § 542.335(k); 3) that Smith Barney, including its agents, officers, employees and all others acting for and/or on its behalf, be enjoined from further defaming or disparaging Respondents King and Woodrick; 4) that Smith Barney, including its agents, officers, employees and all others acting for and/or on its behalf, be enjoined from interfering with the relationships between Respondents King and Woodrick and their clients; 5) unspecified compensatory damages; 6) unspecified punitive damages; and 7) such further legal and equitable relief that the undersigned arbitrators (the "Panel") deemed appropriate relief.

OTHER ISSUES CONSIDERED AND DECIDED

Claimant did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having filed the claim is bound by the determination of the Panel on all issues submitted.

Respondents King and Woodrick did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and, having answered the claim are bound by the determination of the Panel on all issues submitted.

Respondent RJA 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 is bound by the determination of the Panel on all issues submitted.

Claimant filed a complaint in the United States District Court for the Northern District of Florida, Panama City Division (the "Court"), Case No: 5:06cv91/RS-AK, seeking immediate temporary injunctive relief as to Respondents King and Woodridge. On or about May 11, 2006, the Court entered an order and granted Claimant's Amended Emergency Motion for Immediate Temporary Injunctive Relief as to Respondent King and Respondent Woodrick.

On or about May 23, 2006, the Panel entered an order granting Claimant's request for permanent injunction.

On or about August 14, 2006, the Panel granted the Consented to Motion to Amend the Statement of Claim.

On or about October 30, 2006, the Panel entered an order granting the Joint Stipulation and Motion to Dismiss Complaint and Vacate Preliminary Injunction

The parties agreed that the Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings and the Joint Stipulation and Motion to Dismiss Complaint and Vacate Preliminary Injunction, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are dismissed, with prejudice, as to all Respondents.
2. Respondents King's and Woodrick's counterclaims are dismissed, with prejudice.
3. The permanent injunction entered by the Panel on or about May 23, 2006 is vacated.

4. The parties are to bear their own fee and costs in this matter.
5. Any and all other claims for relief not specifically addressed herein, including Claimant's and Respondents King's and Woodrick's respective statutory claims, Claimant's requests for attorneys' fees, Respondents King's and Woodrick's request for attorneys' fees pursuant to Florida Statute § 542.335(k) and Claimant's and Respondents King's and Woodrick's respective requests for punitive damages, are 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	= \$2,500.00
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 firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Claimant Citigroup and Respondent RJA are member firms and are parties.

Claimant Citigroup incurred the following member fees:

Member surcharge	= \$3,350.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$5,500.00</u>
Total Member Fees	= \$9,600.00

Respondent RJA incurred the following member fees:

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$5,000.00</u>
Total Member Fees	= \$8,550.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournments were requested in this matter.

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.

1. Claimant is assessed:

Injunctive relief surcharge	= \$2,500.00
Additional arbitrator honoraria	= \$ 625.00

2. Respondents are assessed:

Additional arbitrator honoraria	= \$ 625.00
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Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session.

No three-day cancellation fees were assessed in this matter.

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:

Five (5) Pre-hearing sessions with the Panel @ \$1,200.00/session	= \$ 6,000.00
Pre-hearing conferences:	
May 23, 2006	2 sessions
May 24, 2006	2 sessions
September 14, 2006	1 session

Total Forum Fees	= \$ 6,000.00
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The Panel has assessed forum fees in the amount of \$3,000.00 to Claimant.

The Panel has assessed forum fees in the amount of \$3,000.00 to Respondents, jointly and severally.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred in this matter.

Fee Summary

Claimant is solely liable for:

Injunctive Surcharge	= \$ 2,500.00
Initial Filing Fee	= \$ 2,500.00
Member Fees	= \$ 9,600.00
Additional Arbitrator Honoraria	= \$ 625.00
Forum Fees	= \$ 3,000.00
<u>Total Fees</u>	<u>= \$18,225.00</u>
<u>Less Payments</u>	<u>= \$16,552.50</u>
Balance Due NASD Dispute Resolution	= \$ 1,672.50

Respondent RJA is solely liable for:

Member Fees	= \$ 8,550.00
<u>Total Fees</u>	<u>= \$ 8,550.00</u>
<u>Less Payments</u>	<u>= \$ 8,550.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent RJA, King and Woodrick are jointly and severally liable for:

Additional Arbitrator Honoraria	= \$ 625.00
Forum Fees	= \$ 3,000.00
<u>Total Fees</u>	<u>= \$ 3,625.00</u>
<u>Less Payments</u>	<u>= \$ 1,402.50</u>
Balance Due NASD Dispute Resolution	= \$ 2,222.50

Respondent King and Woodrick are jointly and severally liable for:

Counterclaim Filing Fee	= \$ 250.00
<u>Total Fees</u>	<u>= \$ 250.00</u>
<u>Less Payments</u>	<u>= \$ 250.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

<i>Beverly S. Gordon, Esq.</i>	- <i>Public Arbitrator, Presiding Chairperson</i>
<i>Paul Sidney Elliott, J.D., CFP</i>	- <i>Public Arbitrator</i>
<i>Gordon E. Hippner</i>	- <i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

_____/s/_____
Beverly S. Gordon, Esq.
Public Arbitrator, Presiding Chairperson

November 2, 2006
Signature Date

_____/s/_____
Paul Sidney Elliott, J.D., CFP
Public Arbitrator

November 2, 2006
Signature Date

_____/s/_____
Gordon E. Hippner.
Non-Public Arbitrator

November 6, 2006
Signature Date

November 6, 2006
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures



Beverly S. Gordon, Esq.
Public Arbitrator, Presiding Chairperson

Nov 2, 2006
Signature Date

Paul Sidney Elliott, J.D., CFP
Public Arbitrator

Signature Date

Gordon E. Hippner.
Non-Public Arbitrator

Signature Date

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

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Concurring Arbitrators' Signatures

Beverly S. Gordon, Esq.

Public Arbitrator, Presiding Chairperson



Paul Sidney Elliott, J.D., CFP

Public Arbitrator

Signature Date



Signature Date

Gordon E. Hippner.

Non-Public Arbitrator

Signature Date

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Concurring Arbitrators' Signatures

Beverly S. Gordon, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Paul Sidney Elliott, J.D., CFP
Public Arbitrator

Signature Date



Gordon E. Huppner.
Non-Public Arbitrator

Nov. 6, 2006

Signature Date

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