

NASD REGULATION, INC.

In the Matter of the Arbitration Between

Name of Claimant

Dean Witter Reynolds Inc.

96-02287

Name of Respondent

Michael Salerno

REPRESENTATION

For Claimant Dean Witter Reynolds Inc. ("claimant") appeared Mark S. Manchester, Esq. of Jackson, Lewis, Schnitzler & Krupman located in Woodbury, New York.

For Respondent Michael Salerno ("respondent") appeared Charles J. Soos, Esq. a sole practitioner located in Princeton, New Jersey.

CASE INFORMATION

Statement of Claim filed on May 28, 1996.

Claimant's Submission Agreement signed on May 24, 1996.

Statement of Answer filed by Respondent, Michael Salerno on August 16, 1996.

Respondent, Michael Salerno's Submission Agreement signed on August 13, 1996.

HEARING INFORMATION

Pre-Hearing Conference: February 20, 1997 One Session

Hearing Date/Sessions: May 14, 1997 Two Sessions

Hearing Location: The offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimant alleged that on or about July 10, 1995, Dean Witter employed Respondent as an Account Executive trainee and entered into a written agreement (the " Agreement") with the Respondent. Claimant maintained that Paragraph 7 of the Agreement provides in pertinent part " that any controversy or claim arising out of or relating to this Agreement, or its breach will be settled by Arbitration..."

9110110
Claimant contended that after signing the Agreement, respondent participated in Dean Witter's Account Executive training program to become licensed as a Registered Representative for the purchase and sale of securities and such other investments as Dean Witter made available to clients for purchase and sale. Claimant further contended that Respondent became duly licensed as a Registered Representative and Associated Person with, among others, the National Association of Securities Dealers, Inc.

Claimant asserted that on February 28, 1996 Salerno terminated his employment with Dean Witter, and Paragraph 4 of the Agreement provides, in pertinent part: " In the event of voluntary termination or termination for cause, either occurs within three years from date the Employee signed this Agreement, the Employee will pay to Dean Witter the amount of \$28,000, representing the expense incurred by Dean Witter in training and compensation the Employee. If employee is employed by Dean Witter for more than one year after signing this Agreement, this amount will be reduced by ten percent (10%) of the total gross commissions which have been generated by the Employee."

Claimant maintained that the total gross commissions generated by Respondent while employed by Dean Witter were \$10,792.00. Claimant further maintained that under Paragraph 4 of the Agreement, respondent is obligated to pay claimant as damages the sum of \$26,920.80.

Claimant alleged that on March 15, 1996, and April 1, 1996 Dean Witter made written demands upon respondent for payment of said sum and respondent refused, and continues to refuse, to honor these demands.

Respondent maintained that Dean Witter did not provide him with the training to become series 7 licensed, since he had previously been licensed by Commonwealth Associates. Respondent further maintained that when he was hired on July 10, 1995 it was as an incoming Registered Representative, not as an Account Executive trainee. Respondent maintained that he made it clear to the Branch Manager, Anthony Catalano that respondent would not consider the position unless he would be permitted to continue his mortgage business. Respondent contended Mr. Catalano's response was very positive and he agreed that this would be a very good way to target individuals for investment sales as well.

Respondent contended that against his will, he was told he must attend a product training workshop before he would be allowed to trade, so he went to the session. Respondent maintained that after he returned from the required training class he began trading and continued with his mortgage business.

Respondent maintained that in early December, 1995, Mr. Catalano approached respondent and asked him to fill out an "Outside Work Approval" for his mortgage business. Respondent contended that in February he was presented with a copy of the "Outside Work Approval" that he prepared in December, and was informed he could not continue his involvement with his mortgage business and continue working for Dean Witter. Respondent maintained that Mr. Catalano gave him an ultimatum and he had no other choice but to resign.

RELIEF REQUESTED

Claimant requested that damages be awarded as follows:

1. The amount of \$26,920.80 due and owing under the Agreement;
2. Accrued interest at the Legal rate from February 28, 1996 to the date of the arbitration award;
3. The costs of this arbitration; and,
4. Any and all further relief which the panel deems just and proper.

9710710-2

Respondent requested that all claims against him be dismissed in their entirety. In addition, Respondent requested any and all remuneration that the arbitration panel deems just due to lost income caused by his licenses being held up by Dean Witter's claim and for costs of legal representation.

OTHER ISSUES CONSIDERED & 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. In either case, the parties have agreed to receive conformed copies of the Award while the original(s) remain on file with the NASD Regulation, Inc.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. All claims asserted by Claimant, Dean Witter Reynolds, Inc. are dismissed in their entirety;
2. Claimant, Dean Witter Reynolds, Inc. is liable and shall pay to Respondent, Michael Salerno, the sum of \$3,500 on Respondent's counterclaim;
3. Each party shall bear their respective costs, including attorney's fees; and,
4. All other requests for relief are denied.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the arbitrators have determined that NASD Regulation, Inc. shall retain the \$500.00 filing fee previously paid by claimant, the \$500.00 filing fee previously paid by respondent, and have assessed the following forum fees:

Pre-Hearing Session Fees:	\$ 300.00	(1 Session x \$300)
Hearing Session Fees:	\$1200.00	(2 sessions X \$600)
Total Forum Fees:	\$1500.00	

1. Claimant, Dean Witter Reynolds, Inc. is assessed the sum of \$1,000.00 representing two-thirds of the forum fees due, less \$600.00 previously deposited, leaving \$400.00 due. Claimant, Dean Witter Reynolds, Inc. is liable and shall pay to NASD Regulation, Inc. the sum of \$400.00.
2. Respondent, Michael Salerno is assessed the sum of \$500.00 representing one-third of the forum fees due. Respondent, Michael Salerno, is liable and shall pay to NASD Regulation, Inc. the sum of \$500.00.

Fees are payable to NASD Regulation, Inc.

97071072

ARBITRATORS' SIGNATURES

I, Joseph F. Keenan, Esq., do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my decision in the above-referenced matter.


Joseph F. Keenan, Esq.

I, R. Keith Butterfield, do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my decision in the above-referenced matter.

R. Keith Butterfield

I, Eric S. Hutner, Esq., do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my decision in the above-referenced matter.

Eric S. Hutner, Esq.

Date of Decision: JULY 31, 1997

ARBITRATORS' SIGNATURES

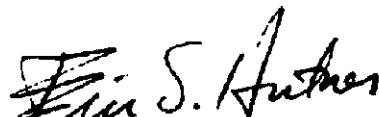
I, Joseph F. Keenan, Esq., do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my decision in the above-referenced matter.

Joseph F. Keenan, Esq.

I, R. Keith Butterfield, do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my decision in the above-referenced matter.

R. Keith Butterfield

I, Eric S. Hutner, Esq., do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my decision in the above-referenced matter.



Eric S. Hutner, Esq.

Date of Decision: JULY 31, 1997

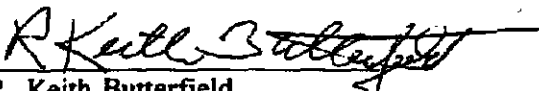
9115-75-1

ARBITRATORS' SIGNATURES

I, Joseph F. Keenan, Esq., do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my decision in the above-referenced matter.

Joseph F. Keenan, Esq.

I, R. Keith Butterfield, do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my decision in the above-referenced matter.



R. Keith Butterfield

I, Eric S. Hutner, Esq., do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my decision in the above-referenced matter.

Eric S. Hutner, Esq.

Date of Decision: JULY 31, 1997