

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Name of Claimant

Jeffrey Greenip

97-05674

Name of Respondents

Cambridge Partners, L.L.C.
Cambridge Holdings, L.L.C.
John J. McFadden, III
Bjorn Aaserod

REPRESENTATION

For Claimant Jeffrey Greenip ("Claimant") appeared Robert M. Bursky, Esq., of the law offices Wechsler & Bursky, L.L.P., located in New York, New York.

For Respondents Cambridge Partners, L.L.C. ("Cambridge Partners"), Cambridge Holdings, L.L.C. ("Cambridge Holdings"), John J. McFadden ("McFadden"), and Bjorn Q. Aaserod ("Aaserod") appeared John Teitler, Esq. of the law offices Teitler & Teitler, located in New York, New York.

CASE INFORMATION

Claimant's Statement of Claim was filed on December 3, 1997.
Claimants' Submission Agreement was signed on December 2, 1997.
Claimant's Amended Statement of Claim was filed on August 13, 1998.
Claimant's Reply to Counterclaim was filed on September 16, 1998.

A Joint Statement of Answer was filed by Cambridge Partners, Cambridge Holdings, McFadden and Aaserod on March 18, 1998.

A Joint Amended Answer and Statement of Defenses was filed by Cambridge Partners, McFadden, and Aaserod (collectively "Respondents") on August 27, 1998.

Cambridge Partners' Submission Agreement was signed on March 18, 1998.
McFadden's Submission Agreement was signed on May 18, 1998.
Aaserod's Submission Agreement was signed on March 18, 1998.
Cambridge Holdings did not file a properly executed Submission Agreement.

HEARING INFORMATION

Pre Hearing Conferences:	June 16, 1998	-	1 session
	August 27, 1998	-	1 session
	September 17, 1998	-	1 session
Hearing Dates/Sessions:	October 20, 1998	-	1 session
	October 21, 1998	-	2 sessions
	October 22, 1998	-	1 session

The hearings were conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimant alleged that he was induced to become a full time associate employee of Cambridge Partners based upon express and implied promises that he would receive total annual compensation (including base salary and a year-end bonus) comparable to the total annual compensation paid to associates with similar experience at major Wall Street investment banks. Claimant alleged that he accepted a lower base salary than what is typically paid in the industry to associates with the level of experience he had at the time based upon the promises made to him that adjustments would be made such that his total compensation (including a year-end bonus) would be in the range of approximately \$140,000.00 the first year of his employment and \$200,000.00 for the second year of his employment. Claimant further alleged that these promises of compensation were not dependent upon the profitability of Cambridge Partners, and that, in fact, he was expressly promised that his compensation would not be affected even if Cambridge Partners made no profit at all or lost money during the first two years of his employment. Claimant also alleged that Cambridge Partners did not have the discretion to not pay him any bonuses at all, especially given his excellent job performance and excellent performance review, and that in the industry it is a customary and an implicit, if not also explicit, term of the employer-employee relationship that a substantial year-end bonus be paid, as bonuses typically constitute the largest part of the employee's total annual compensation; i.e. that employees work all year largely for their year-end bonuses. Claimant alleged that, to induce him to remain with Cambridge Partners, Respondents falsely represented to him that the financial commitments and promises made to him would be kept, but they were not. Claimant maintained that, consequently, he resigned his position with Cambridge Partners and accepted other employment in the industry.

Respondents maintained that, in 1995, Cambridge Partners was a start up enterprise engaged in the business of investment banking and securities trading which had little more than a business plan reflecting certain revenues and profits which it hoped could be realized, and the contributed experience, knowledge, contacts and capital of its founders. Respondents alleged that claimant was hired to work for Cambridge Partners as a sales and training "summer associate" in May 1995 and as an entry-level full-time associate in August 1995. Respondents also alleged that Claimant was told that his salary as a full-time associate was \$65,000.00 per year. In addition, Respondents maintained that only the Series A shareholders of Cambridge Holdings were entitled as of right to participate in the profits of Cambridge Partners and were also required to participate in the losses and that Claimant was never a Series A shareholder of Cambridge Holdings.

Respondents contended that, during 1995 and 1996, Claimant received the same or greater salary as other entry-level associates and that no bonuses were paid to individuals similarly situated to Claimant in 1995 or 1996. Respondents alleged that, by December 1996, Cambridge Partners had cumulative losses of \$2.8 million and that the international finance unit to which Greenip had been assigned, as of that date, realized no revenues and had attributed losses of in excess of \$1.5 million. Respondents also alleged that Claimant never received any deferred compensation or any written acknowledgment of entitlement to deferred compensation. Moreover, Respondents maintained that bonuses at Cambridge Partners were discretionary, conditioned on performance, overall profitability, and profitability of the group to which individuals were assigned. In addition, Respondents alleged that Claimant performed poorly on two examinations administered during his employment at Cambridge Partners and was reprimanded for unauthorized accessing of confidential firm documents.

RELIEF REQUESTED

Claimant requested at least \$300,000.00 in compensatory damages, plus interest, unspecified punitive damages, attorneys' fees and costs and disbursements in maintaining this action. Claimant also requested statutory sanctions in the amount of 25% of all unpaid commissions and or other compensation due him. In his Reply to Counterclaim, Claimant requested that Respondents counterclaim be dismissed with prejudice.

Respondents requested that the Statement of Claim be dismissed in its entirety and that they be awarded attorneys' fees and costs. In their counterclaim, Respondents requested attorneys' fees and costs.

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 originals remain on file with NASD Regulation, Inc.

Cambridge Holdings was not a member of the NASD at the time the dispute arose and did not voluntarily submit to the jurisdiction of the NASD. Therefore, Cambridge Holdings was removed as a party to this action.

At the October 20, 1998 hearing, Claimant withdrew with prejudice all claims against McFadden. Respondent's counsel, John Teitler, Esq. agreed and stipulated to Claimant's withdrawal of claims against McFadden.

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 the claims asserted by Claimant against Cambridge Partners and Aaserod

are hereby dismissed in their entirety.

2. All the claims asserted by Respondents against Claimant are hereby dismissed in their entirety.
3. All other claims are hereby denied in their entirety.

OTHER COSTS

Pursuant to Rule 10333 of the Code of Arbitration Procedure ("Code"), Cambridge Partners has paid NASD Regulation, Inc. the \$1,500.00 member surcharge previously invoiced.

FORUM FEES

Pursuant to Rule 10205(c) of the Code, the arbitrators have determined that NASD Regulation, Inc. will retain the \$500.00 non-refundable filing fee submitted by Claimant and have assessed the following forum fees:

2 pre-hearing conferences x \$300.00	=	\$ 600.00
1 pre-hearing conference (with full panel)	=	\$ 750.00
4 hearing sessions x \$750.00	=	\$3,000.00
- hearing session deposit	=	\$ 750.00
Total Outstanding Forum Fees	=	\$3,600.00

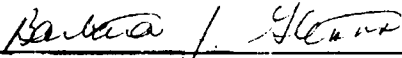
Cambridge Partners be and hereby is liable for and shall pay to NASD Regulation, Inc. the sum of \$3,600.00, representing the total amount of outstanding forum fees.

Fees are payable to NASD Regulation, Inc.

ARBITRATION PANEL

Barbara J. Glenns, Esq.	-	Industry Chairperson
James A. Francis, Esq.	-	Industry Arbitrator
Paul M. Rosenthal	-	Industry Arbitrator

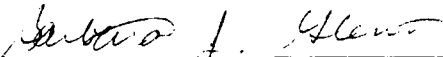
CONCURRING ARBITRATOR'S SIGNATURE



Barbara J. Glenns, Esq.
Chairperson- Industry Arbitrator

Date of decision: December 3, 1998

I, **Barbara J. Glenns, Esq.**, 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.

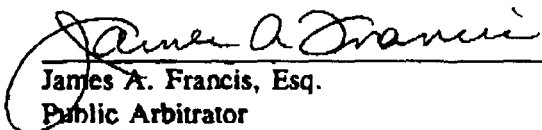


Barbara J. Glenns, Esq.

ARBITRATION PANEL

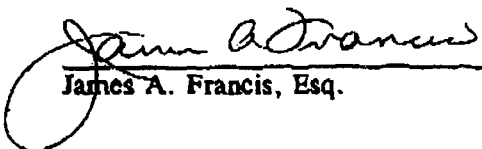
Barbara J. Glenns, Esq.	-	Industry Chairperson
James A. Francis, Esq.	-	Industry Arbitrator
Paul M. Rosenthal	-	Industry Arbitrator

CONCURRING ARBITRATOR'S SIGNATURE


James A. Francis, Esq.
Public Arbitrator

Date of decision: December 3, 1998

I, James A. Francis, Esq., 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.


James A. Francis, Esq.