



**NYSE Regulation**  
**In the Matter of Arbitration Between**

**Case:** Cheryl Schwarzwaelder and Steven B. Schwarzwaelder v. Salomon Smith Barney, Inc. Dave Williams and Ken Kuska v. Cheryl Schwarzwaelder

**Docket:** 2003-011428

**Attorneys:**

**For Claimant(s):** Ethan A. Brecher - New York, NY

**For Respondent(s):** Robert A. Buhlman - Boston, MA

**Date Filed:** 2/20/2003

**First Scheduled:** 10/18/2005

**Decided:** 2/16/07

**Case Summary:** Non-member claimant alleges wrongful termination, commissions owed for finder's fees and bond deals, violation of the Pennsylvania Wage Payment and Collection Law, hostile work environment, defamation and seeks recovery of funds vested in the firm's Capital Accumulation Plan. Claimant and her husband, a customer, also allege breach of contract and breach of fiduciary duty in connection with the surrender of an annuity. Member firm respondent filed a Counter-claim against non-member claimant dated 4/16/03 alleging fraud, conversion and theft in connection with expense reimbursement practices. Non-member claimant filed an amended statement of claim dated 11/28/05 seeking delivery and or recovery of stock options acquired under the Capital Accumulation Plan. At the hearing, claimants reduced their claim to \$1,825,150.50 in compensatory damages, \$142,868.18 under the Pennsylvania Wage Payment and Collection Law and claimed attorneys' fees of \$263,883.00 and respondent increased its requested damages to \$34,000.

**Product:**

**Market:**

**Claim:**

	<b>Claim</b>	<b>Counter Claim</b>
<b>Claim:</b>	\$6,647,809.80	\$30,000.00
<b>Punitive:</b>	\$292,732.70	\$0.00
<b>Atty Fees:</b>	UNSPECIFIED	\$0.00
<b>Deposit:</b>	\$1,500.00	\$600.00

**Award:**

	<b>Award</b>	<b>Counter Claim</b>
<b>Award:</b>	\$173,402.26	\$23,570.04
<b>Punitive:</b>	\$3,491.50	\$0.00
<b>Atty Fees:</b>	\$2,374.95	\$0.00
<b>Costs:</b>	\$3,750.00	\$0.00

Forum Fees: \$24,000.00

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Decision: The undersigned arbitrator(s) have decided and determined that in full and final settlement of all claims between the parties that:

At the conclusion of the claimants' case, the arbitrators granted the Respondents' motion to dismiss, unopposed by the claimant, as to Dave Williams and Ken Kuska.

Respondent Salomon Smith Barney, Inc. shall pay to Claimant Cheryl Schwarzwaelder \$146,893.99, representing an award on the claim of \$141,027.54, and pursuant to the Pennsylvania Wage Payment and Collection Law, attorneys' fees of \$2,374.95 and penalty of \$3,491.50. In addition, Salomon Smith Barney, Inc. shall pay to Claimant Steven Schwarzwaelder \$32,374.72. On the Counterclaim: Cheryl Schwarzwaelder shall pay to Salomon Smith Barney, Inc. \$23,570.04. Accordingly, the total amount Salomon Smith Barney, Inc shall pay to Claimant Cheryl Schwarzwaelder is \$123,323.95. The parties shall pay simple interest of 6% on the amounts awarded, which interest shall begin to run 30 days after receipt of the award.

NYSE Regulation forum fees, \$24,000.00, and costs, \$2,250.00, for five pre-hearing conferences are equally assessed against the Claimants and Salomon Smith Barney, Inc., with each side to pay the sum of \$13,125.00. NYSE Regulation costs for the April 3, 2006 adjournment fee, \$1,500.00, are assessed against Salomon Smith Barney.

Remarks:

The undersigned arbitrators hereby affirm that they have executed this instrument which is their award:

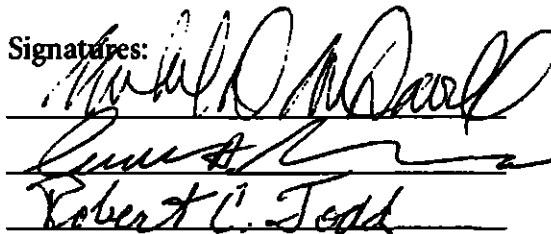
Arbitrators: (D = Dissents)

Michael McDowell

Paul McKenna

Robert C. Todd

Signatures:



City, State: Pittsburgh, PA

Date: 2/16/07

Sessions: 16

Hearing Dates:

08/08/2006 , (2)

08/09/2006 , (2)

08/10/2006 , (2)

08/11/2006 , (2)

12/12/2006 , (2)

12/13/2006 , (2)  
12/14/2006 , (2)  
12/15/2006 , (2)