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Judge clears two ex-Smith Barney brokers

By **Bruce Kelly**
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Two ex-Smith Barney brokers have been cleared of allegations that they took private client information to their new firm.

Last Thursday, a judge in federal court in Philadelphia signed an order for the two brokers, William Meyer and Marcy LePrell, to conduct a “good-faith search” and return any information outside the “protocol for recruiting brokers” to Smith Barney by the end of today.


A lawyer for Mr. Meyer and Ms. LePrell said the order was a repudiation of New York-based Smith Barney’s strong-arm tactics. “Our feeling on the whole thing is that it was nothing more than intimidation by Smith Barney to keep its reps under control,” said Thomas B. Lewis, an attorney with Stark & Stark of Lawrenceville, N.J. “The judge found no wrongdoing. There was no proof [the brokers] took anything.”

Smith Barney, facing a rising number of broker departures from its branches, in February filed a lawsuit against four ex-reps and a rival broker-dealer, Janney Montgomery Scott LLC of Philadelphia, seeking the return of the reps’ client information. ([IN web, Feb. 24, “Smith Barney seeks restraining orders against four ex-reps”](#)).

The complaint alleged that the four brokers took with them “customer files and information despite their written assurances that they had complied with the ‘protocol for broker recruiting,’ which expressly prohibits them from taking such files.”

Mr. Meyer and Ms. LePrell worked in the Lancaster, Pa., branch of Smith Barney. The status of the other two ex-Smith Barney brokers who were sued, Bernadette Holland and Amy Villani, who worked in the Bethlehem, Pa., branch, is unknown. Alexander Samuelson, a Smith Barney spokesman, said the firm would not comment on the litigation.

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Smith Barney is preparing to take the minority stake in a joint venture with Morgan Stanley of New York. Citigroup Inc. will exchange Smith Barney for a 49% stake in the new firm, dubbed Morgan Stanley Smith Barney, and a \$2.7 billion cash payment.

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