

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Paul and Lenore Bey, as Trustees of the Bey Revocable Living Trust, Claimants v. Salomon Smith Barney, Inc. and Robert Breen, Respondents

Case Number: 00-00747

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimants:

James A. Sigler, Esq.
Law Offices of
James A. Sigler
Granada Hills, California

For Respondents:

Linda R. Alpert, Esq.
Salomon Smith Barney
New York, New York

CASE INFORMATION

Statement of Claim filed: February 18, 2000

Claimants' Uniform Submission Agreement signed: February 12, 2000

Joint Statement of Answer filed by Respondents: May 11, 2000

Respondent Salomon Smith Barney's Uniform Submission Agreement signed: May 9, 2000

Respondent Robert L. Breen's Uniform Submission Agreement signed: May 8, 2000

CASE SUMMARY

Claimants alleged breach of contract, failure to supervise, negligence, negligent supervision, breach of fiduciary duty, misrepresentation, omissions, and unsuitability in connection with the purchase and sale of various securities.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

RELIEF REQUESTED

Claimants requested rescission of all transactions executed by Respondent Robert Breen, or, in the alternative, an amount not less than \$50,000 in compensatory damages, \$100,000 in treble damages, punitive damages, attorney's fees, and costs.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety, and expungement of Respondent Robert Breen's Central Registration Depository ("CRD") record.

OTHER ISSUES CONSIDERED AND DECIDED

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimants' claims are denied in their entirety.
- 2) Claimants Paul and Lenore Bey are jointly and severally liable to and shall reimburse Respondent Salomon Smith Barney, Inc. for \$4,600.00 in Member Fees paid to NASD Dispute Resolution, Inc.
- 3) Each party shall bear its own costs, including attorney's fees.
- 4) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Robert Breen's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Robert Breen must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 5) All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee = \$ 300.00

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events which gave rise to the dispute, claim, or controversy. Accordingly, the member firm Salomon Smith Barney is a party and the following fees are assessed:

Member Surcharge = \$ 1,500.00

Pre-Hearing Process Fee = \$ 600.00

Hearing Process Fee = \$ 2,500.00

Total Member Fees = \$ 4,600.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

2 Hearing sessions @ \$ 1,125.00/session = \$ 2,250.00

Hearings: April 17, 2001 2 sessions

Total Forum Fees = \$ 2,250.00

1. The Panel assessed \$ 2,250.00 of the forum fees jointly and severally to Claimants Paul and Lenore Bey.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and other requests.

Claimants Paul and Lenore Bey requested 6 photocopies at \$.50 each = \$ 3.00

NASD Dispute Resolution, Inc.

Arbitration No. 00-00747

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Fee Summary

1. Claimants Paul and Lenore Bey are charged jointly and severally with the following fees and costs:

| | |
|---|-----------------------|
| Initial Filing Fee | = \$ 300.00 |
| Forum Fees | = \$ 2,250.00 |
| <u>Administrative Costs</u> | <u>= \$ 3.00</u> |
| Total Fees | = \$ 2,553.00 |
| <u>Less Payments</u> | <u>= \$(1,425.00)</u> |
| Balance Due NASD Dispute Resolution, Inc. | = \$ 1,128.00 |

2. Respondent Salomon Smith Barney, Inc. is charged with the following fees and costs:

| | |
|---|-----------------------|
| Member Fees | = \$ 4,600.00 |
| <u>Less Payments</u> | <u>= \$(4,600.00)</u> |
| Balance Due NASD Dispute Resolution, Inc. | = \$ 0 |

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

ARBITRATION PANEL

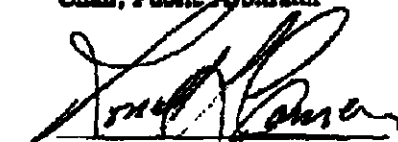
James T. Caprett, Esq.
Ronald L. Cameron
Ronald E. Ogden

Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures


James T. Caprett, Esq.
Chair, Public Arbitrator

May 15, 2001
Signature Date


Ronald L. Cameron
Public Arbitrator

May 15, 2001
Signature Date


Ronald E. Ogden
Non-Public Arbitrator

5/15/01
Signature Date

May 15, 2001
Date of Service