
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

D. Paone Revocable Trust
FBO Dorothy M. Paone, POA Marilyn W. Paono-Rando

Case Number: 02-05416

Name of Respondent

Salomon Smith Barney, Inc.

Hearing Site: Boca Raton, Florida

REPRESENTATION OF PARTIES

For D. Paone Revocable Trust, FBO Dorothy M. Paone, POA Marilyn W. Paono-Rando, hereinafter referred to as "Claimant", appeared pro se, assisted by her daughter, Marilyn W. Paono-Rando.

For Salomon Smith Barney, Inc., hereinafter referred to as "Respondent": Jason Haselkorn, Esq., Boose Casey Ciklin Lubitz Martens McBane & O'Connell, West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: September 12, 2002.

Claimant signed the Uniform Submission Agreement: September 4, 2002.

Statement of Answer filed by Respondent on or about: November 27, 2002.

Respondent signed the Uniform Submission Agreement: November 26, 2002.

CASE SUMMARY

Claimant asserted the following causes of action: suitability, breach of fiduciary duty, failure to supervise, and negligence. The causes of action relate to, but are not limited to, Respondent's purchase of a GE Variable Annuity in Claimant's account.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested total rescission of the GE Variable Annuity Contract for the full original principal amount of \$50,000.00, interest of \$12,000.00, and reimbursement of the fees associated

with the filing of this claim.

Respondent requested dismissal of the Statement of Claim, costs, and that any and all references to this matter be expunged from the appropriate regulatory records maintained by the NASD Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

During the evidentiary hearing on June 20, 2003, Respondent made an ore tenus motion for sanctions, including a motion to dismiss for failure to comply with the Panel's order granting the motion to compel.

In response, the Panel ordered Claimant to provide certain information and documents to Respondent's counsel.

The parties have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

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

The panel finds for Respondent and claims of Claimant are denied in their entirety.

The Panel recommends the expungement of all references to the above captioned arbitration from Respondent's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Any and all requests for relief not specifically addressed herein are denied.

FEEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 175.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the

member firm that employed the associated persons at the time of the events giving rise to the dispute. Respondent is a member firm and a party.

Member Surcharge	= \$ 875.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$1,000.00</u>
Total Member Fees	= \$2,625.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments for which fees were assessed were granted in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has the authority to assess forum fees for each hearing session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that last four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with the Panel @ \$ 600.00	= \$ 600.00
Pre-hearing conference: March 13, 2003 1 session	
Two (2) Hearing sessions @ \$600.00	= \$ 1,200.00
Hearing conferences: June 20, 2003 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$ 1,800.00

The Panel has assessed the total forum fees of \$1,800.00 to Claimant.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

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No administrative costs were incurred in this matter.

FEE SUMMARY

Claimant is solely liable for:

Initial Filing Fee	= \$ 175.00
Forum Fees	= \$ 1,800.00
Total Fees	= \$ 1,975.00
Less payments	= \$ 975.00
Balance Due NASD Dispute Resolution	= \$ 1,000.00

Respondent is solely liable for:

Member Fees	= \$ 2,625.00
Total Fees	= \$ 2,625.00
Less payments	= \$ 2,625.00
Balance Due NASD Dispute Resolution	= \$ 0.00

All balances are payable to NASD Dispute Resolution and are due upon the parties' receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

<i>Will Murphy, Esq.</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Lawrence S. Silver, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Jon Stanley Spisiak</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

<u>/s/</u>	<u>07/14/03</u>
Will Murphy, Esq.	Signature Date
Public Arbitrator, Presiding Chairperson	

<u>/s/</u>	<u>07/14/03</u>
Lawrence S. Silver, Esq.	Signature Date
Public Arbitrator	

<u>/s/</u>	<u>07/14/03</u>
Jon Stanley Spisiak	Signature Date
Non-Public Arbitrator	

07/16/03

Date of Service (For NASD Dispute Resolution office use only)

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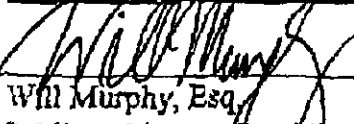
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Signature Date

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Signature Date

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Public Arbitrator

Signature Date

7-19-03

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