

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Marilyn Patryla as Trustee of the Julia D. Noel Trust, and as guardian at litem for Julia Noel, an individual, Claimants v. Salomon Smith Barney Inc. n/k/a Citigroup Global Markets, Inc., Gene Stone a/k/a Chip Stone, and Toni Beck, Respondents

Case Number: 04-00981

Hearing Site: Los Angeles, California

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Nature of the Dispute: Customers v. Member and Associated Persons

**REPRESENTATION OF PARTIES**

For Claimants:

R. David DiJulio, Esq.  
DiJulio & Associates  
Glendale, California

For Respondents:

Elizabeth H. Lindh, Esq.  
Law Offices of Kessal,  
Young & Logan  
Long Beach, California

**CASE INFORMATION**

Statement of Claim filed: February 10, 2004

Claimants' Joint Uniform Submission Agreement signed: January 28, 2004

Joint Statement of Answer filed by Respondents: June 30, 2004

Respondent Salomon Smith Barney Inc. n/k/a Citigroup Global Markets, Inc.'s Uniform Submission Agreement signed: July 11, 2005

**CASE SUMMARY**

Claimants alleged negligence, failure to supervise, and elder abuse. Claimants' allegations involve transactions in a trust and retirement account in unspecified mutual funds.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimants requested \$925,000.00 in compensatory damages, unspecified punitive damages, and costs, including attorney's fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety, an order that all references to Claimants' claim be expunged from Respondents' records maintained by the NASD Central Registration Depository, and costs, including attorney's fees.

### **OTHER ISSUES CONSIDERED AND DECIDED**

On February 10, 2004, Claimants' filed the Statement of Claim and Uniform Submission Agreement identifying Chip Stone, Gene Stone, and, Toni Beck as three separate Respondents. By letter dated June 30, 2004, Respondents' counsel advised Claimants that Gene Stone and Chip Stone are one and the same individual.

Respondents Gene Stone a/k/a Chip Stone and Toni Beck did not file with NASD Dispute Resolution properly executed submission agreements but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (Code) and having answered the claim, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

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, testimony, and evidence presented at the hearing, 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) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Gene Stone a/k/a Chip Stone's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Gene Stone a/k/a Chip Stone must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

- 3) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Toni Beck's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Toni Beck must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) All other relief requested and not expressly granted, including Claimants' request for punitive damages, is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

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

Initial claim filing fee	= \$ 375.00
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#### **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 that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Salomon Smith Barney Inc. n/k/a Citigroup Global Markets, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,250.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 4,000.00
<b>Total Member Fees</b>	<b>= \$ 7,000.00</b>

#### **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 or the parties and the Panel. The following fees are assessed:

One (1) Decision on discovery-related motions on the papers with single arbitrator @ \$200.00	= \$ 200.00
Decision on Claimant's discovery-related motion    October 18, 2005	
One (1) Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$ 1,200.00
Pre-hearing conference:        August 19, 2005        1 session	

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Three (3) Hearing sessions @ \$1,200.00/session	= \$ 3,600.00
Hearings: December 5, 2005 1 session	
December 6, 2005 2 sessions	

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<b>Total Forum Fees</b>	<b>= \$ 5,000.00</b>
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1. The Panel assessed \$2,500.00 of the forum fees jointly and severally to Claimants Marilyn Patryla as Trustee of the Julia D. Noel Trust, and as guardian at litem for Julia Noel, an individual.
2. The Panel assessed \$2,500.00 of the forum fees jointly and severally to Salomon Smith Barney Inc. n/k/a Citigroup Global Markets, Inc., Gene Stone a/k/a Chip Stone, and Toni Beck.

**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 sundry other requests.

Respondents requested 28 photocopies at \$.50 per page	= \$ 14.00
Claimants requested 10 photocopies at \$.50 per page	= \$ 5.00

**Fee Summary**

1. Claimants Marilyn Patryla as Trustee of the Julia D. Noel Trust, and as guardian at litem for Julia Noel, an individual, are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 2,500.00
<u>Administrative Costs</u>	<u>= \$ 5.00</u>
Total Fees	= \$ 2,880.00
<u>Less payments</u>	<u>= \$ (1,700.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 1,180.00</b>
2. Respondent Salomon Smith Barney Inc. n/k/a Citigroup Global Markets, Inc., is charged with the following fees and costs:

Member Fees	= \$ 7,000.00
<u>Less payments</u>	<u>= \$ (7,000.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>

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3. Respondents Salomon Smith Barney Inc. n/k/a Citigroup Global Markets, Inc., Gene Stone a/k/a Chip Stone, and Toni Beck are charged jointly and severally with the following fees and costs:

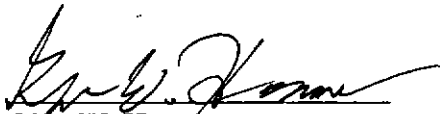
Forum Fees	= \$ 2,500.00
<u>Administrative Costs</u>	= \$ 14.00
Total Fees	= \$ 2,514.00
<u>Less payments</u>	= \$ (0.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 2,514.00</b>

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


**ARBITRATION PANEL**

<b>Glen W. Hanne</b>	-	<b>Public Arbitrator, Presiding Chair</b>
<b>Robert C. Albini</b>	-	<b>Public Arbitrator</b>
<b>James P. Murphy</b>	-	<b>Non-Public Arbitrator</b>

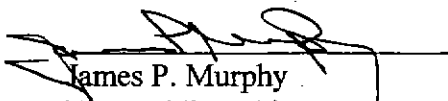
**Concurring Arbitrators' Signatures**

  
Glen W. Hanne  
Chair, Public Arbitrator

12-6-05  
Signature Date

  
Robert C. Albini  
Public Arbitrator

12/6/05  
Signature Date

  
James P. Murphy  
Non-Public Arbitrator

12-6-05  
Signature Date

12/07/05  
Date of Service