

NASD REGULATION, INC. AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimants

Leonard J. Petitti as Trustee of the Profit Sharing Plan UAD 1985, Petitti Family Trust,
Rosine Petitti, Walter Bills and Vera Bills

v.

Arbitration No.
96-01806

Name of Respondent

Dominick Stillo II

REPRESENTATION

For Claimants:

Jeffrey L. Gaffney, Esq.
Law Offices of Jeffrey L. Gaffney
San Diego, California

For Respondent:

Leonard J. Comden, Esq.
Wasserman, Comden & Casselman, LLP
Tarzana, California

CASE INFORMATION

Statement of Claim filed:	April 25, 1996
Amended Statement of Claim filed:	December 12, 1996
Claimant Petitti Family Trust's Submission Agreement signed:	May 29, 1996
Claimant Petitti Pension Profit Sharing Plan's Submission Agreement signed:	May 16, 1996
Claimant Petitti DDS Profit Sharing Plan's Submission Agreement signed:	May 29, 1996

Claimants Walter and Vera Bills' Submission Agreement signed: January 2, 1997

Claimant Rosine Petitti's Submission Agreement signed: January 30, 1997

Statement of Answer filed by Respondent: July 29, 1996

Statement of Answer to Amended Statement of Claim filed by Respondent: March 21, 1997

Respondent's Submission Agreement signed: July 29, 1996

HEARING INFORMATION

Pre-Hearing Conference Dates/Sessions: November 4, 1996 (1 session)
December 2, 1996 (1 session)
June 12, 1997 (1 session)

Hearing Dates/Sessions: June 17, 1997 (2 sessions)
June 18, 1997 (1 session)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants alleged Respondent committed intentional and negligent misrepresentation, breach of fiduciary duty, breach of the implied covenant of good faith and fair dealing, professional malpractice, elder abuse and violations of the NASD and NYSE Rules and Regulations regarding the recommendation and sale of unsuitable, high risk limited partnerships.

Respondent denied Claimants' claims in their entirety.

RELIEF REQUESTED

Claimants sought the following relief:

1. For rescission of all limited partnership interests and the return of all monies invested in the limited partnerships in the approximate amounts:
 - a. For the Petitti Profit Sharing Plan UAD 1985: \$75,000
 - b. For the Petitti Family Trust DTD 12/11/90: \$55,000
 - c. For Rosine Petitti: \$20,000
 - d. For Walter and Vera Bills: \$40,000
2. Pre-award and post-award interest of seven percent (7%) from the date of the original investment in an amount to be demonstrated at the hearing;
3. For costs of NASD filing and hearing fees in an amount to be determined;
4. For punitive damages and exemplary damages in a sum sufficient to properly punish and make an example of Respondent, and to deter such acts in the future, said sum being determined by the arbitrators.
5. It is further hoped that the Panel will see clear to recommend Respondent for discipline by the NASD.

Respondent sought dismissal of the Statement of Claim and costs of the arbitration.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in either counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original remains on file with the NASD Regulation, Inc., Office of Dispute Resolution.

AWARD

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

1. Respondent Dominick Stillo II is liable to and shall pay Claimant Petitti Profit Sharing Plan UAD 1985 the sum of \$13,000.00.
2. Respondent Dominick Stillo II is liable to and shall pay Claimant Petitti Family Trust DTD 12/11/90 the sum of \$11,000.00.
3. Respondent Dominick Stillo II is liable to and shall pay Claimant Rosine Petitti the sum of \$17,686.00.
4. Respondent Dominick Stillo II is liable to and shall pay Claimants Walter and Vera Bills the sum of \$15,500.00.
5. Interest is awarded at the legal rate from the date the award is issued until payment is made.
6. Each side shall bear its own costs including attorney's fees.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed against Respondent:

One (1) Single Arbitrator Pre-Hearing Conference @ \$300.00/Session	= \$300.00
Two (2) Full Panel Pre-Hearing Conferences @ \$750.00/Session	= \$1500.00
<u>Three (3) Hearing Sessions @ \$750.00/Session</u>	<u>= \$2250.00</u>
Total Forum Fees Assessed	= \$4050.00

Respondent's Amount Due	= \$4050.00
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Claimants' Hearing Session Deposit in the amount of \$750.00 shall be refunded by NASD Regulation, Inc.

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name</u>	<u>Arbitrators</u>
Mary L. Williams, Esq.	Public Arbitrator
Ronald K. Witter	Industry Arbitrator
Frank Milton Hodgson	Public Arbitrator

Concurring Arbitrators' Signatures



Mary L. Williams, Esq.

Ronald K. Witter

Frank Milton Hodgson

Date of Service: 3/25/98

ARBITRATORS

<u>Name.....</u>	<u>Arbitrators</u>
Mary L. Williams, Esq.	Public Arbitrator
Ronald K. Witter	Industry Arbitrator
Frank Milton Hodgson	Public Arbitrator

Concurring Arbitrators' Signatures

Mary L. Williams, Esq.



Ronald K. Witter

Frank Milton Hodgson

Date of Service: 3/25/98

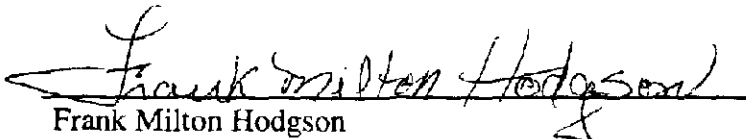
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