

**Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between

Name of Claimant

Jeanette Maranto

Case No. 99-02091

Names of Respondents

Steven J. Buras  
Banc One Securities Corp. f/k/a  
Marquis Investments, LLC

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**REPRESENTATION OF PARTIES**

For Jeanette Maranto, hereinafter referred to as "Claimant": Craig S. Sossaman, Esq. of Harvin & Sossaman, Metairie, LA.

For Respondent Steven J. Buras, hereinafter referred to as "Buras": Richmond M. Eustis, Esq. of Eustis & O'Keefe, LLC, New Orleans, LA.

For Respondent Banc One Securities Corp. f/k/a Marquis Investments, LLC, hereinafter referred to as "Banc One": Elizabeth A. Jerdonek, Esq. of Ulmer & Berne, LLP, Cleveland, OH.

**CASE INFORMATION**

Statement of Claim filed on or about: May 6, 1999.

Supplemental Statement of Claim filed on or about: October 8, 1999.

Claimant signed the Uniform Submission Agreement: March 29, 1999.

Answer of Steven J. Buras to Statement of Claim filed on or about: August 12, 1999.

Respondent Buras signed the Uniform Submission Agreement: August 10, 1999.

Answer of Respondent Banc One Securities Corp. f/k/a Marquis Investments, LLC filed on or about: August 23, 1999.

Respondent Banc One signed the Uniform Submission Agreement: July 14, 1999.

**CASE SUMMARY**

Claimant alleged the following: Claimant invested approximately \$150,000.00 with Banc One. On or about December 24, 1995, Respondent Buras obtained approximately \$40,000.00 from Claimant to purchase a car for Claimant. Against Claimant's wishes, the vehicle was purchased in Respondent Buras' name. Respondent Buras advised Claimant that

if she turned over approximately \$275,000.00 to Respondent Buras, she would enjoy substantial tax benefits and doing so would allow Respondent Buras to invest the funds on her behalf and earn a return of approximately seven percent (7%) per annum. Claimant unknowingly executed two Acts of Donation in favor of Respondent Buras in the amounts of \$125,000.00 and \$150,000.00. Claimant did not, nor did Claimant intend to, donate the funds to Respondent Buras. Respondent Buras obtained a power of attorney from Claimant. Without Claimant's knowledge, Respondent Buras used the power of attorney to remove funds from Claimant's checking account to pay for Louisiana state taxes resulting from the Acts of Donation. Further, Respondent Buras used the power of attorney to change the beneficiaries on life insurance policies totalling in excess of \$300,000.00 from Claimant's daughter to himself. In addition, Respondent Buras used the power of attorney to commit Claimant to a nursing home. Respondent Buras used his employment with Respondent Banc One to obtain funds from Claimant. Respondent Banc One was responsible for the acts and omissions of Respondent Buras and was negligent in hiring and maintaining Respondent Buras as an employee. Respondent Buras has failed to account for the funds spent pursuant to the power of attorney and has refused to return the automobile and the other funds obtained from Claimant. Respondents Buras and Banc One violated the Louisiana Unfair Trade Practices Act, the Louisiana Blue Sky Law, Louisiana securities laws, the Federal Trade Commission Act, the Securities Exchange Act of 1934 and breached their fiduciary duty owed to Claimant. Respondent Banc One is liable under the doctrine of respondeat superior and is vicariously liable for the acts of Respondent Buras.

Unless specifically admitted in his Answer, Respondent Buras denied the allegations made in the Statement of Claim and alleged the following: Claimant's claims are barred by prescription of one year pursuant to La. C.C. Art. 3492 and/or by prescription of two years pursuant to La. R.S. 51:714C. Respondent Buras conducted himself in accord with the policies and procedures of Respondent Banc One and the rules of the NASD. At all times referred to in the Statement of Claim, Claimant possessed the capacity to enter into contracts, including acts of donation, regarding her property. There was no fraud or trickery involved in the two donations. Further, Respondent Buras fulfilled with prudence and diligence the power of attorney that he accepted from Claimant. The power of attorney was used at Claimant's instruction and/or for her benefit. The automobile was given to Respondent Buras as payment for services.

Unless specifically admitted in its Answer, Respondent Banc One denied the allegations made in the Statement of Claim and alleged the following: Although Respondent Buras was employed by Respondent Banc One during the relevant time, the allegations in the Statement of Claim arise from a personal relationship and/or a private business relationship between Claimant and Respondent Buras. The allegations contained in the Statement of Claim do not involve Claimant's investment account at Banc One. Respondent Banc One took reasonable steps to supervise Respondent Buras in connection with securities related activities which he performed on behalf of Respondent Banc One's customers. There is no cognizable legal theory under which Respondent Banc One can be held responsible for the consequences of activities which occurred during the course of Claimant's and Respondent Buras' personal relationship.

### **RELIEF REQUESTED**

Claimant requested the following: that all funds obtained from her by Respondent Buras be returned; that Claimant be reimbursed for all penalties incurred as a result of withdrawing funds from her investment accounts and for gift taxes paid as a result of alleged donations; that Claimant be awarded general damages for the mental pain and suffering inflicted by Respondent Buras; that Claimant be awarded general damages and attorneys' fees for Respondent Buras' abuse of his power of attorney; that Claimant be awarded attorneys' fees and costs; that the acts of donation be rescinded and/or revoked; that Claimant be awarded penalties, exemplary damages, treble damages, and interest; and, for all general and equitable relief allowed by law.

Respondent Buras requested that the Statement of Claim be denied and that he be awarded reasonable attorneys' fees and costs.

Respondent Banc One requested that the Statement of Claim be denied and that all costs and forum fees be assessed against the Claimant.

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

On or about May 4, 2000, Respondent Banc One filed its motion for summary judgment. Claimant filed its memorandum in opposition on or about May 16, 2000. On or about June 9, 2000, the Panel issued an order which denied Respondent Banc One's motion for summary judgment.

The parties have 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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent Buras is liable and shall pay to Claimant compensatory damages in the sum of \$282,230.87 plus interest at the rate of eight percent (8%) per annum accruing from March 8, 1996 until the date of payment of the Award.

Respondent Buras is liable and shall pay to Claimant costs in the sum of \$1,508.42.

All claims against Banc One are dismissed, with prejudice.

Claimant's requests for attorneys' fees, rescission and/or revocation, penalties, exemplary damages, and treble damages are denied.

All other relief requests not specifically addressed herein are denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

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

Initial claim filing fee = \$ 300.00

#### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm, Banc One, is a party. Marquis Investments, LLC was not an NASD member firm at the time the Claimant filed the Statement of Claim.

Member surcharge = \$1,500.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$2,500.00

#### **Forum Fees and Assessments**

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$ 450.00

Pre-hearing conference: December 14, 1999 1 session

One (1) Pre-hearing session with Panel x \$1,125.00 = \$1,125.00

Pre-hearing conference: February 21, 2000 1 session

Twelve (12) Hearing sessions x \$1,125.00 = \$13,500.00

Hearing Dates: June 19, 2000 2 sessions

June 20, 2000 2 sessions

June 21, 2000 2 sessions

August 7, 2000 2 sessions

August 8, 2000 2 sessions

August 9, 2000 2 sessions

Total Forum Fees = \$15,075.00

The Panel has assessed forum fees of \$5,025.00 to Claimant.

The Panel has assessed forum fees of \$10,050.00 jointly and severally to Respondents Buras

and Banc One.

**Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Claimant requested additional copies of arbitrator awards beyond those provided without charge. = \$ 70.00

**Fee Summary**

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 5,025.00
<u>Administrative Costs</u>	= \$ 70.00
Total Fees	= \$ 5,395.00
<u>Less payments</u>	= \$ 1,495.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,900.00

Respondent Banc One be and hereby is solely liable for:

<u>Member Fees</u>	= \$ 4,600.00
Total Fees	= \$ 4,600.00
<u>Less payments</u>	= \$ 4,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondents Buras and Banc One be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$10,050.00
Total Fees	= \$10,050.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$10,050.00

All balances are due and payable to NASD Dispute Resolution, Inc.

**Concurring Arbitrators' Signatures**

/s/

\_\_\_\_\_  
Ashley L. Belleau  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

/s/

\_\_\_\_\_  
Edward J. Gay, III, Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

/s/

\_\_\_\_\_  
B. David Jarashow, Esq.  
Industry Arbitrator

\_\_\_\_\_  
Signature Date

September 20, 2000

Date of Service (For NASD-DR office use only)

Concurring Arbitrators' Signatures



Ashley L. Belloc  
Public Arbitrator, Presiding Chair

9-20-00  
Signature Date

Edward J. Gay, III, Esq.  
Public Arbitrator

                      
Signature Date

B. David Jarashow, Esq.  
Industry Arbitrator


                      
Signature Date

Date of Service (For NASD-DR office use only)

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Ashley L. Belleau  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
(Edward J. Gay, III, Esq.)  
Public Arbitrator

9/15/00  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
B. David Jarashow, Esq.  
Industry Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Date of Service (For NASD-DR office use only)




Concurring Arbitrators' Signatures

Ashley L. Belleau  
Public Arbitrator, Presiding Chair

Signature Date

Edward J. Gay, III, Esq.  
Public Arbitrator

Signature Date

  
B. David Jarashow, Esq.  
Industry Arbitrator

9/18/00  
Signature Date

Date of Service (For NASD-DR office use only)