

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Abraham Sebbag

Claimant

Case #87-02507

vs.

Award

Shearson Lehman Brothers, Inc.
Shearson Lehman/American Express, Inc.
Gaston Rosenwald

Respondents

On September 15, October 5, November 23, 1988 and January 3, 4, 26, 27, February 8, 9 and March 23, 1989, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Abraham Sebbag on November 23, 1987, and by Respondents Shearson Lehman Brothers, Inc. and Gaston Rosenwald on April 7, 1988. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:


1. Respondents Shearson Lehman Brothers, Inc. and Shearson Lehman/American Express, Inc. ("Shearson") are liable and shall pay to the Claimant Abraham Sebbag ("Sebbag" or the "Claimant") the sum of Two Hundred Fifty One Thousand Four Hundred One Dollars and Sixty Cents (\$251,401.60), such amount representing damages inclusive of interest from July 31, 1986 to date herein. The arbitration panel determined its decision on findings that the Claimant's account was churned by the broker, Roger E. Bendelac, thus entitling Claimant to return of commissions paid. Shearson's liability is predicated on the panel's finding that Shearson failed to adequately supervise its representative.
2. The claim presented by Sebbag against Respondent Gaston Rosenwald ("Rosenwald") is denied.
3. The claims presented by Sebbag for punitive damages and RICO against Shearson and Rosenwald are denied.
4. The claim of Sebbag for the costs of the court reporter and related transcripts against Shearson and Rosenwald shall be denied.
5. All other claims made by any party to this proceeding against any other party to this proceeding are denied.
6. The parties shall each bear their respective costs including attorney's fees.

7. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. The Claimant is assessed Fifteen Thousand Dollars and No Cents (\$15,000.00) in forum fees for fifteen of the twenty hearing sessions held. The Claimant had previously deposited Twelve Thousand Dollars and No Cents (\$12,000.00) of which Three Thousand Dollars and No Cents (\$3,000.00) remains to be paid. The Respondents are assessed Five Thousand Dollars and No Cents (\$5,000.00) in forum fees for five of the twenty hearing sessions held. The Respondents had previously paid Three Thousand Dollars and No Cents (\$3,000.00) of which Two Thousand Dollars and No Cents (\$2,000.00) remains to be paid.

This day May 19, 1989


Deborah Sherman


Michael A. Van Gelder


Reece E. Musick