

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
Louis Mastrobattisto,)	
)	
Claimant)	Case #87-02799
)	
vs.)	Award
)	
Stephen McDevitt and)	
Shearson Lehman Hutton, Inc.,)	
)	
Respondents)	

CASE SUMMARY

Claimant alleges that his broker, Stephen McDevitt, violated Section 10(b) of the Exchange Act and Rule 10b-5 and Section 36-498 of the Connecticut Uniform Securities Act. Specifically, Claimant alleges that McDevitt recommended unsuitable investments in light of Claimant's experience and objectives, misrepresented the risk involved in trading options, effected unauthorized trades with respect to the amount of risk to be taken, churned the account and was negligent by failing to exercise reasonable care in handling the account. Claimant also alleges that Shearson was negligent in failing to supervise McDevitt. Claimant further alleges that both Respondents breached their fiduciary duty to the Claimant.

Respondents deny the allegations asserted in the Statement of Claim and allege that the claims are barred by the doctrine of laches, waiver, ratification and estoppel as well as the applicable statute of limitations.

RELIEF REQUESTED

Claimant requests \$91,327.00 which consists of commissions of \$16,326.63 from January 1, 1986 to May 16, 1986, \$32,000 and \$43,000 which represents losses sustained on March 31, 1986 and May 16, 1986, respectively. Claimant also seeks punitive damages, costs and expenses including reasonable attorney's fees and expert's fees. Respondents request that the claims be dismissed and that costs be assessed against Claimant.

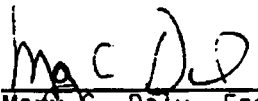
AWARD

On July 19, 1989, July 20, 1989 and September 26, 1989, the undersigned arbitrators heard the controversy between the parties as set forth in a submission to arbitration signed by Claimant, Louis Mastrobattisto, on


February 1, 1988 and by Respondent, Shearson Lehman Hutton, Inc., on May 12, 1988. Stephen McDevitt did not execute a Submission Agreement but appeared and was represented by counsel for Shearson Lehman Hutton, Inc. The hearing was held in New York City, New York and consisted of six sessions. 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. Each of the claims asserted by the Claimant in the Statement of Claim is hereby dismissed in their entirety.
2. The parties shall each bear their respective costs including attorneys' fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$500.00 filing fee previously deposited by the Claimant and shall assess Claimant \$1,500.00 in forum costs. Respondent, Shearson Lehman Hutton, Inc., is assessed \$1,500.00 in forum costs. All costs shall be made payable to the NASD with the arbitration number included on the check.

CONCURRING ARBITRATORS


Mary C. Daly, Esq.


Mark E. Feierstein, Esq.


Charles P. Axelrod, Esq.

Dated: November 29, 1989