

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)
)
ALFRED JAMES ZONNEVYLLE.)
)
) Claimant.)
) Case #88-01062
vs.) Award
)
SHEARSON LEHMAN BROTHERS, INC. and)
ANDREA STEINACKER.)
)
) Respondents.)
)

Heard before the members of the Arbitration Panel:

Arthur J. Leibell, Esq.
Ms. Virginia Rhyne
Mr. Douglas Delanoy Jr.

CASE SUMMARY

This claim was filed with the NASD, Inc. on April 4, 1988. The hearing was conducted in Fort Lauderdale, Florida on January 25th and 26th, 1990 and February 12th and 13th, 1990 with a total of eight (8) sessions.

Claimant Alfred James Zonneville ("Zonneville") alleged that Respondents Shearson Lehman Brothers, Inc. ("Shearson") and Andrea Steinacker ("Steinacker") were liable for: violating Florida Statute Section 517.301; common law fraud; negligence; breach of fiduciary duty; that Shearson was liable for negligent supervision; that Steinacker recommended that Claimant purchase stocks when Shearson's stock analyst was predicting a 600 point drop in the Dow Jones industrial average; that Steinacker knew or should have known of Shearson's warnings; and that Respondents should be held liable for Steinacker's failure to advise Claimant of those warnings.

Respondents alleged that Claimant: was a sophisticated investor with other brokerage accounts; maintained control over his account; never expressed any need for additional investment income; was informed of the negative predictions of Shearson's stock analyst; disregarded Steinacker's recommendation that he not sell at depressed prices; and that none of the securities purchased by Claimant between October 14th and 16 were recommended by Steinacker.

RELIEF REQUESTED

Claimant requested damages in the amount of \$126,802.67; interest at the legal rate in the amount of \$31,700.67; attorney's fees; expert witness fees; punitive damages and costs. Respondents requested dismissal of the claim and costs.

AWARD

On January 25th and 26th, 1990 and February 12th and 13th, 1990, the arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on March 17, 1988, and by Respondent Shearson on July 19, 1988, and not signed by Respondent Steinacker as required by Section 12(a) of the Code. 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. 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. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD, Inc.
2. Respondents Shearson and Steinacker are hereby not liable to the Claimant and, therefore, all claims against them are hereby dismissed.
3. Claimant's request for attorney's fees are hereby denied.
4. Claimant's request for punitive damages are hereby denied.
5. Pursuant to Section 43 of the Code of Arbitration Procedure, Claimant is hereby assessed forum fees in the amount of Eight Thousand and 00/100 (\$8,000.00) Dollars for which the National Association of Securities Dealers, Inc. shall retain the One Thousand and 00/100 (\$1,000.00) Dollar filing fee previously deposited by the Claimant in partial satisfaction thereof.
6. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

OTHER ISSUES

None.

ARBITRATORS CONCURRING

Arthur J. Leibell. Esq.
Ms. Virginia Rhyne
Mr. Douglas Delanoy Jr.

Received this 7th day of March 1990