

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

SHEARSON LEHMAN HUTTON, INC.

Claimant

and

DONALD A. EISLER

Respondent

CASE NO. 88-01301

CASE SUMMARY

Shearson Lehman Hutton, Inc. ("Claimant") alleged that Donald A. Eisler ("Respondent") owes the Claimant for the debit balance which exists in the Claimant's account. The debit balance was a result of the liquidation of the Respondent's account which was authorized under the terms of the customer agreement.

Respondent denied the claim and further alleged 1) the Respondent authorized the Claimant's registered representative to liquidate the securities in his account which had a value of \$17,970.00 in order to cover the margin call of 13,598.00; 2) the representative advised that the securities would be sufficient to satisfy the margin call; 3) the representative misquoted the price of the securities and the amount necessary to cover the Respondent's option position, and 4) the Claimant failed to obtain the Respondent's informed consent to trade naked options. Claimant denied the Respondent's claims.

RELIEF REQUESTED

Claimant requested damages of \$85,462.00, plus filing costs, attorneys' fees, additional accrued interest from the date of the Claimant's claim, and dismissal of Respondent's counterclaim. Respondent requested dismissal of the Claimant's claim, damages in the amount of \$17,970.00, plus reasonable attorneys' fees and costs.

AWARD

On April 25, 1988 the Claimant filed its Statement of Claim with the NASD. On January 12, 1990, during a hearing lasting two sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed on April 19, 1988 by Michael O'Leary on behalf of the Claimant Shearson Lehman Hutton, Inc. and on July 7, 1988 by Donald A. Eisler.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. Donald A. Eisler shall be liable for and pay to Shearson Lehman Hutton, Inc. Ninety Seven Thousand Six Hundred Seventy One Dollars and 56/100 cents (\$97,671.56);

2. The counterclaim asserted by the Respondent against the Claimant is hereby dismissed;

3. The parties shall bear their own costs including attorneys' fees;

4. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$500.00 filing fee previously deposited with the NASD by the Claimant and the Claimant shall pay an additional \$500.00 to the NASD as forum fees.

Presiding Chair

Dated: 1-12-90 /S/ Thaddeus J. Tecza, Ph.D.

Dated: 1-12-90 /S/ Gerald Raskin, Esq.

Dated: 1-12-90 /S/ Cletus E. Byrne, Jr.

Date Served: 1-30-90