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NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In The Matter of The Arbitration Between

Ahmad Karimi

Claimants

Award

vs.

Shearson Lehman Hutton,
Ken Baruch, Robert Taylor

Respondents

NASD # 88-C1829

SUMMARY OF ISSUES

This case was filed on

Claimant alleged that he was an inexperienced investor, that he ~~was not a professional~~ opened an account with Respondent Shearson Lehman Hutton, that Respondent Baruch recommended to Claimant, that he buy the put-call and call of puts and calls and index options, and that the activity in the account was enormous. Claimant alleged that Respondents breached their fiduciary duties, changed Claimant's account and that there was a lack of supervision, resulting in a loss to Claimant of approximately \$37,000. Respondents alleged that denied the allegations of Claimant. Respondents alleged that Claimant was totally in control of his account at all times that ~~that~~ ^{most} transactions were on an unsolicited basis, that Claimant was a wild investor - agreed to heed Respondents' warnings to be more conservative in his approach, & that Respondents

DAMAGES AND RELIEF REQUESTED

Claimant requested ^{general} damages of approximately \$300,000; 2) market damages in an amount at least equal to the amount of ^{general} damages awarded; 3) interest from the date of loss on the amounts awarded at money market rates; and 4) reasonable costs and attorney's fees. Respondents requested that the Statement of Claim be dismissed and that the cost of this proceeding be assessed against claimant.

DAMAGES AND RELIEF AWARDED

On July 25 and 26, 1989, in Los Angeles, California, the undersigned arbitrators heard the controversy in four sessions between the parties as set forth in submissions to arbitration signed by Claimant(s) on March 31, 1988, by Respondent Theodore Kehring Thiele on August 10, 1988, by Respondent Kim Burch on the morning of the hearing, and by Respondent(s) interviews on July 25, 1989, and by Respondent Robert Taylor on the presence of the arbitrators on July 25, 1989.

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 and every claim of Claimant is dismissed in each and every respect.

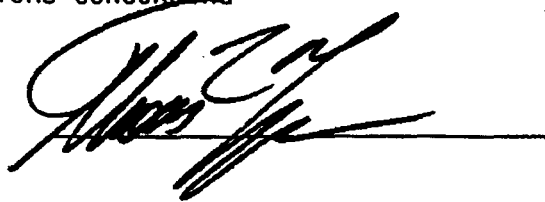
2. The parties shall each bear their respective costs including attorneys' fees.

3. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. (NASD) Code of Arbitration Procedure, the NASD shall retain/~~refund~~ the \$ 1000 filing fee previously deposited by the Claimant.

OTHER ISSUES

ARBITRATORS CONCURRING

DATE SERVED: 08/16/89



Patricia McQuay /

J. Robert Grosse - Chairman

ARBITRATORS DISSENTING
