

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Susan Galian and Charles Galian

Claimants

vs.

Shearson Lehman Brothers, Inc.
and James Hanley

Respondents

AWARD

Case #88-02025

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on June 22, 1989 Claimants Susan Galian and Charles Galian alleged the Respondents breached the fiduciary duty owed to the Claimants by failing to disclose the speculative nature of the recommendations ~~as~~ he was making, by failing to make himself available to the Claimants and by failing to tell them, in a timely manner, how they could proceed in his absence.

Respondents Shearson Lehman Brothers, Inc. and James Hanley maintained the Claimants were fully informed of any and all risks associated with any of the transactions they undertook prior to the time they made their investment decisions and were intimately involved in the decision making with respect to the securities which they purchased. Respondents further maintained the Claimants were informed they could work with any number of brokers in the office in the absence of Respondent James Hanley and in fact the Claimants did have contact with another broker in the office in James Hanley's absence.

RELIEF REQUESTED

Claimants requested damages for their losses in the sum of \$47,980.64 plus interest at the rate of 8% per year plus recovery of a lost profit in the amount of \$10,000 (less commissions) plus interest at the rate of 8% per year plus attorneys fees in the sum of \$5,000.00 plus costs of this action.

Respondents requested a dismissal of claim and that costs be assessed against the Claimants.

AWARD

On May 9, 1989 the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants Susan Galian and Charles Galian on June 21, 1988 and not signed by Respondent Shearson Lehman Brothers, Inc. as required pursuant to Section 8 of the NASD Code of Arbitration Procedure and by Respondent James Hanley on May 9, 1989.