

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Audrey J. Rasmussen
Maxwell W. Rasmussen, Trustees

Claimants

vs.

Shearson Lehman Hutton, Inc.
Lewis O. Tenzer

Respondents

Award

CASE NO. 88-02357

SUMMARY OF ISSUES

This case was filed on July 22, 1988. Claimant alleged the following: Excessive and unsuitable trading of their account by respondents, and an unauthorized purchase of 5,000 shares of Cityfed Financial Corp. on June 23, 1986.

Respondents denied that any of the transactions were unsuitable or unauthorized or excessive, that claimants at all times were aware of the activity in their accounts and they are not liable to claimants for any monetary damages.

DAMAGES AND RELIEF REQUESTED

Claimants requested:

1. Compensatory damages due to excessive trading of \$271,207.77.
2. Compensatory damages due to unauthorized trading (Cityfed Financial Corp.) of \$14,375.00.
3. Compensatory damages as a result on error on Mead transaction for \$357.21.
4. Interest on the above amounts.
5. Return of commissions in the amount of \$260,820.00.
6. Punitive damages.

Respondents requested costs and attorneys' fees.

DAMAGES AND RELIEF AWARDED

On October 12 and 13 and December 11, 12 and 13, 1989, the undersigned arbitrators heard the controversy, in 12 sessions, between the parties as set forth in submissions to arbitration signed by Claimants on August 24, 1988 and by Respondents Shearson Lehman Hutton, Inc. on January 4, 1989 and Lewis Tenzer on December 15, 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. Respondent Shearson Lehman Hutton, Inc., only, is liable for and shall pay to claimants the sum of \$357.21, plus interest of \$153.60 for the error in the "Mead" transaction.

2. Each and every claim against respondent Lewis Tenzer is dismissed.

3. Each and every other claim against Shearson Lehman Hutton, Inc. is dismissed.

4. The claim for punitive damages is dismissed.

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

6. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. (NASD) Code of Arbitration Procedure, the NASD shall retain the \$750.00 filing fee previously deposited by the Claimant.

In accordance with Section 43, the arbitrators assess forum fees against the parties as follows:

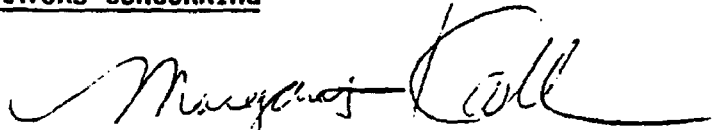
a) Against claimants for \$4,500.00 payable to the NASD, with a credit for the \$750.00 filing fees for a total of \$3,750.00;

b) Against respondent Shearson Lehman Hutton, Inc., only, for \$4,500.00 payable to the NASD.

OTHER ISSUES

Claimants amended their prayer at the arbitration to request compensatory damages for excessive trading of \$299,683.00, return of commissions in the amount of \$260,820.00 and the sum of \$357.20 resulting from the error on the "Mead" transaction.

ARBITRATORS CONCURRING


Margaret Kallman

William A. Hage

Ruth Graham Glick