

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Robert H. Klepner

Claimant

vs.

AWARD
#88-02765

Shearson Lehman Hutton, Inc.

Respondent

CASE SUMMARY

Claimant Robert H. Klepner alleged negligence and unauthorized trading by asserting that Respondent Shearson Lehman Hutton, Inc. failed to follow his instructions and purchase 500 shares of a bank stock known as Bayamon Federal Savings and Loan, P.R. (Bayamon stock) at a price of \$21.00 or \$22.00 a share in anticipation of a buy-out offer for the stock at \$28.00. Claimant alleged that the Respondent then purchased the stock at a price of \$26.50 per share. Respondent Shearson Lehman Hutton, Inc. maintained that the Claimant never mentioned a limit price at which to buy the shares, and if he had done so, the transaction would have been handled as a limit order. The Respondent further maintained that they acted properly and followed their client's wishes.

RELIEF REQUESTED

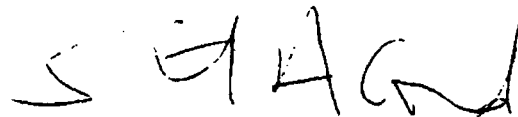
Claimant requested damages in the amount of \$5,000 inclusive of punitive damages and attorneys fees. Respondent requested that the claim of the Claimant be dismissed.

AWARD

On June 12, 1989, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimant Robert H. Klepner on August 28, 1988 and by Respondent Shearson Lehman Hutton, Inc. on November 18, 1988. The initial claim was filed on August 30, 1988. The arbitration panel, having considered the pleadings, testimony, and the evidence presented at the hearing, has determined that in full and final resolution of the issues submitted for determination as follows:

- (1) Respondent Shearson Lehman Hutton, Inc. is liable and shall pay to the Claimant Robert H. Klepner the sum of One Thousand Five Hundred Dollars and No Cents (\$1,500).
- (2) The \$100.00 postponement fee previously deposited with the NASD, Inc. by the Claimant is refunded to the Claimant pursuant to Section 30(b) of the Code of Arbitration Procedure.
- (3) The parties shall each bear their respective costs including attorneys fees.
- (4) Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the \$100.00 filing fee previously deposited by the Claimant.

CONCURRING ARBITRATOR

A handwritten signature in dark ink, appearing to read 'S. Gordon', written over a horizontal line.

Stuart Gordon, Esq.

DATED: August 3rd, 1989