

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	)	
Charles K. and Palmira A. Napoleon,	)	
Claimant	)	Case #88-02775
vs.	)	Award
Shearson Lehman Hutton, Inc.,	)	
Respondent	)	

CASE SUMMARY

Claimants allege that they told Gary Arnold, the registered representative with Respondent brokerage firm that they wished to convert their government securities accounts, which were valued at \$77,000.00, into a Certificate of Deposit and that Cohen talked them out of doing so. Claimants further allege that Arnold made unauthorized trades in their account, made investments contrary to their expressed objectives and churned their account. Claimants also allege that, as a result, they suffered a loss of \$35,000.00.

Respondent denies the allegations and alleges that Claimants were aware and ratified each transaction, that the trades were not unsuitable and that the losses were sustained based upon Claimants' failure to liquidate the government securities when advised to do so by Cohen and the stock market crash.

RELIEF REQUESTED

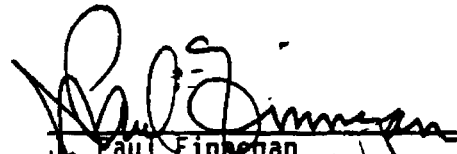
Claimants request that the Panel award them \$34,385.65. Respondent requests that the Panel dismiss the claim and award it costs and disbursements including reasonable attorney's fees.

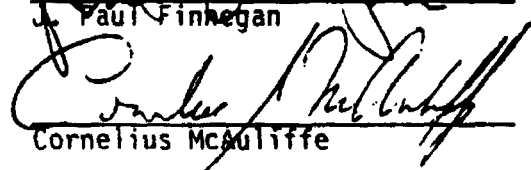
AWARD

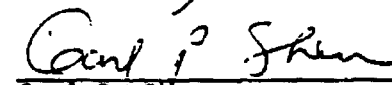
On August 28, 1989, the undersigned arbitrators heard the controversy between the parties as set forth in a submission to arbitration signed by Claimants, Charles K. and Palmira A. Napoleon, on August 23, 1988 and by Respondents, Shearson Lehman Hutton, Inc., on October 28, 1988. The hearing was conducted in Boston, Massachusetts and consisted of two sessions. 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. All Claims asserted by the Claimants are hereby dismissed in their entirety.
2. The parties shall each bear their respective costs including attorneys' fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$400.00 filing fee previously deposited by the Claimant and Respondent is assessed \$400.00 in forum costs which shall be made payable to the NASD and directed to its staff counsel.

ARBITRATORS CONCURRING

  
Paul Finnegan

  
Cornelius McAuliffe

  
Carl P. Sherr

Dated: October 26, 1989