

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of Arbitration Between

J.W. COATS and JANETTE COATS

Claimants

v.

SCOTT DUBOIS AND SHEARSON LEHMAN HUTTON
Respondents

NASD No. 88-02958

CASE SUMMARY

In the statement of claim filed on or about September 20, 1988 Claimants allege that Respondents: 1) executed trades without authorization; 2) made unsuitable recommendations with regard to Claimants' account; 3) failed to execute trades as instructed; and 4) made investments unsuitable to Claimants account. Further, Claimants assert that large losses were incurred due to Respondents failure to execute stop loss orders as instructed for Claimants option account. It is also asserted by Claimants that there was never an Option Agreement executed on their behalf.

Respondents state in the Answer filed on or about April 20, 1989 that Claimants never instructed them to execute stoplosses, that Claimants approved of and acquiesced in all trades of which Claimants complain. Respondents further assert that the October 16th liquidation was authorized by the Customer Agreement and that Claimants suffered no damages from the liquidation.

RELIEF REQUESTED

Claimants request \$32,000.00 in actual damages.

AWARD

On July 9, 1990 in Dallas, Texas during a hearing lasting 2 sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant J.W. and Janette Coats on April 10, 1989 on April 18, 1989 by Respondents Scott Dubois and Shearson Lehman Hutton.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant is awarded \$15,930.14 in actual damages from Shearson Lehman Hutton without interest;
2. The claim is dismissed as against Respondent Scott Dubois;
3. The parties shall each bear their respective costs and expenses including any attorneys' fees incurred in this matter; and
4. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$400.00 filing fee previously deposited with the NASD by the Claimants J.W. Coats and Janette Coats and Shearson Lehman Hutton is assessed and shall pay to the NASD additional forum fees of \$400.00.

BY THE PANEL

Dated: July 9, 1990

S/S Arthur H. Gennen, Esq.
Presiding Chair

Dated: July 9, 1990

S/S Anne Wilson Larkin, Esq.

Dated: July 9, 1990

S/S John S. Davis