

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Patricia A. and James W. Hall

Claimants

vs.

Shearson Lehman Hutton, Inc.,

Respondent

Case #88-03675

Award

CASE SUMMARY

Claimants allege that they informed Dean Blissman, a financial consultant with Shearson Lehman Hutton, Inc., that their investment objective was to ensure safety of principal and to receive monthly income in order to make mortgage payments on their home. Claimants further allege that based upon the advice of Blissman, they invested \$58,000 in Putnam High Income Government Trust (Putnam Fund). Claimants also allege that Shearson negligently handled their account, that Blissman misrepresented the sales charges to be 4.5 percent if she invested above \$50,000 and that the investment was unsuitable as she lost a portion of her principal.

Respondent denies the allegations and alleges that Blissman recommended and fully explained the Putnam Fund to the Claimants. Respondent also asserted five Affirmative Defenses.

RELIEF REQUESTED

Claimants request an award of \$13,629.49, the amount of the principal lost, plus interest and the difference between the actual sales charges, an average of 5.32 percent, and the sales charges promised, 4.5 percent. Respondent requests a dismissal of the claim, an award of attorney's fees and other further relief that is just and proper.

AWARD

On October 17, 1989, the undersigned arbitrators heard the controversy between the parties as set forth in a submission to arbitration signed by Claimants, Patricia A. Hall and James W. Hall, on December 14, 1988 and by Respondent, Shearson Lehman Hutton, Inc., on February 14, 1989. The hearing was conducted in Pittsburgh, Pennsylvania and consisted of one session. 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 \$200.00 of the \$400.00 filing fee previously deposited by the Claimant and shall assess Shearson Lehman Hutton, Inc. \$200.00 in forum costs which shall be made payable to the NASD with the arbitration number included on the check.

CONCURRING ARBITRATORS


Frederick E. Liechti


Thomas D. Cramer


Paul R. Meese

Dated: November 29, 1989