

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Paula Hirschhorn

Claimant

vs.

CASE NO. 88-03682

Robert Logan & Russell G. Heck
Thomson McKinnon Securities, Inc.

Respondents

SUMMARY OF ISSUES

This case was filed on November 28, 1988. Claimant alleged Respondents breached their fiduciary duty to her by investing her funds in commodities futures through a strategy of Butterfly Spreads. Claimant further alleged that Respondents' actions were fraudulent and that the investments were unsuitable and unauthorized. Respondents maintained that Claimants' investments were authorized and suitable for Claimant based on personal financial information given to Respondents.

Respondents Thomson McKinnon Securities, Inc. alleged a counterclaim against Claimant representing a debit balance in her account.

DAMAGES AND RELIEF REQUESTED

Claimant requested damages in the amount of \$40,000, punitive damages in an amount at least equal to damages awarded, interest, costs of arbitration and attorney's fees.

Respondents requested a dismissal of all claims brought by Claimant, an award of costs of arbitration and attorney's fees. Respondent Thomson McKinnon requested an award of \$2,566.68 plus interest for the debit balance.

DAMAGES AND RELIEF AWARDED

On September 6, 1989 in Los Angeles, California, the undersigned arbitrators heard the controversy in three (3) sessions between the parties as set forth in submissions to arbitration signed by Claimant on November 14, 1988, by Respondent Shearson Hutton Lehman Hutton, Inc. on February 2, 1989; by Respondent Thomson McKinnon Securities, Inc. on February 17, 1989; and by Respondent Heck on September 6, 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. Respondents Thomson McKinnon Securities and Russell G. Heck are jointly and severally liable for and shall pay to Claimant the sum of \$10,000.

2. Respondent Thomson McKinnon Securities's counterclaim for the unsecured debit balance is dismissed.

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

4. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. ("NASD") Code of Arbitration Procedure, the NASD shall retain the \$400.00 filing fee previously deposited by the Claimant. Further, pursuant to Section 43, Respondent Heck is assessed forum fees in the amount of \$1,200.00 payable directly to the National Association of Securities Dealers, Inc.

OTHER ISSUES

The claim against Shearson Lehman Hutton, Inc. was withdrawn by Claimant.

ARBITRATORS CONCURRING

DATE SERVED: 09/28/89


Thomas E. Shuck

Joyce S. Levinson

John B. Wells