

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Mae Batterson Claimant

vs.

Shearson Lehman Hutton, Inc. and Respondents
Michael A. Goldstein

AWARD

CASE NO. 89-00095

Heard Before the Members of the Arbitration Panel:

Frank R. Smith
Bert Levy
George N. Roy

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on January 9, 1989. Claimant Mae Batterson ("Batterson") alleges that Respondent Michael Goldstein ("Goldstein"), while employed by Respondent Shearson Lehman Hutton, Inc. ("Shearson") induced Batterson into selling shares of Chevron stock in order to use the proceeds to invest in highly speculative options trading and several unsuitable limited partnerships.

Batterson alleges that such activity was in reckless disregard of her best interests and stated investment objectives, was made solely to generate commissions, and was a breach of Goldstein's and Shearson's fiduciary duty to Batterson.

Respondents allege that Batterson was fully informed of the trading activity and agreed with the strategies used. Respondents also assert that the Claimant never complained of any of the trades made until after the October 19, 1987 market crash.

DAMAGES AND RELIEF REQUESTED

Claimant seeks to recover approximately \$50,000.00 in compensatory damages, punitive damages, interest, costs, attorneys' fees, rescission of monies invested in the limited partnerships, losses due to liquidated limited partnerships, plus interest.

Respondents seek dismissal of the claim in its entirety plus costs and fees.