

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	)	
Elaine K. Thomas/	)	
Anthony William Siadak/	)	
Milton R. Tam	)	
	)	
Claimant	)	
	)	AWARD
vs.	)	CONSOLIDATED
	)	CASES
Shearson Lehman Hutton, Inc.	)	NASD #89-00169
Daniel Halligan	)	89-01171
Bruce Kramer	)	89-01177

SUMMARY OF ISSUES

Claimants each alleged that Respondents made fraudulent misrepresentations to them, breached their fiduciary duties, engaged in unfair and deceptive practices in violation of the Washington Consumer Protection Act, engaged in unauthorized trading of options and index options, churned their accounts, and invested Claimants' funds in securities which were unsuitable for each Claimant's investment objectives and financial sophistication.

Respondents denied all allegations of wrongdoing, and responded that each Claimant was a sophisticated, experienced options trader; that each sought a program of aggressive trading; that each gave Respondent Halligan limited trading discretion and authorization, and that each was in regular and frequent contact with Respondent Halligan regarding their accounts and trading strategies.

DAMAGES AND RELIEF REQUESTED

Claimant Thomas requested compensatory damages of \$130,671.70. Claimant Siadak requested compensatory damages of \$147,956.13. Claimant Tam requested compensatory damages of \$108,344.24. Each Claimant also requested interest of 8%, punitive damages, damages under the Washington Consumer Protection Act, attorney's fees and costs of arbitration.

Respondents requested dismissal of all claims.

DAMAGES AND RELIEF AWARDED

These claims were filed separately with the NASD as follows: Thomas on January 10, 1989; Siadak on April 19, 1989; Tam on

April 20, 1989. The claims were consolidated for hearing by stipulation of counsel. On October 15, 16 and 17, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Elaine Thomas on January 14, 1989, by Anthony Siadak on April 4, 1989, by Milton Tam on April 3, 1989, by an authorized representative of Shearson Lehman on March 21, 1990, by Bruce Kramer on October 26, 1990, and by Daniel Halligan on November 8, 1990. A pre-hearing telephone conference was held on October 8, 1990, and lasted one session. The evidentiary hearing was conducted in Seattle, Washington and lasted seven (7) sessions. The arbitration panel, having considered the pleadings, the testimony, the evidence presented at the hearing, and the post-hearing submissions, has determined in full and final resolution of the issues submitted as follows:

1. All claims against Bruce Kramer, Jane Doe Halligan, and Jane Doe Kramer are dismissed.
2. Respondents Shearson and Halligan are jointly and severally liable for and shall pay to Elaine Thomas the sum of \$80,000.000 only.
3. Respondents Shearson and Halligan are jointly and severally liable for and shall pay to Anthony Siadak the sum of \$60,000.00 only.
4. Respondents Shearson and Halligan are jointly and severally liable for and shall pay to Milton Tam the sum of \$16,596.00 only, representing an award on his claim of \$70,000.00, offset by an award on the counterclaim against him of \$53,404.00.
5. All claims for relief under the Washington State Consumer Protection Act are dismissed.
6. The parties shall each bear their respective costs including attorneys' fees.
7. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$2,250.00 in aggregate filing fees previously deposited by the Claimants as an assessment of forum fees. In addition, Respondents are jointly and severally assessed forum fees of \$5,750.00.

OTHER ISSUES

None.

ARBITRATORS CONCURRING

DATE SERVED: 01/02/91

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John A. Bender, Jr.

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David G. Skeen

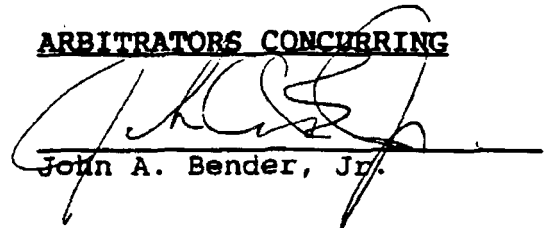
*in W. Anthony*  
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Monte W. Anthony

OTHER ISSUES

None.

DATE SERVED: 01/02/91

ARBITRATORS CONCURRING

  
John A. Bender, Jr.

\_\_\_\_\_  
David G. Skeen

\_\_\_\_\_  
Monte W. Anthony

OTHER ISSUES

None.

ARBITRATORS CONCURRING

DATE SERVED: 01/02/91

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