

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
Suite 1680
Three First National Plaza
Chicago, IL 60602
(312) 899-4440

In the Matter of the Arbitration Between

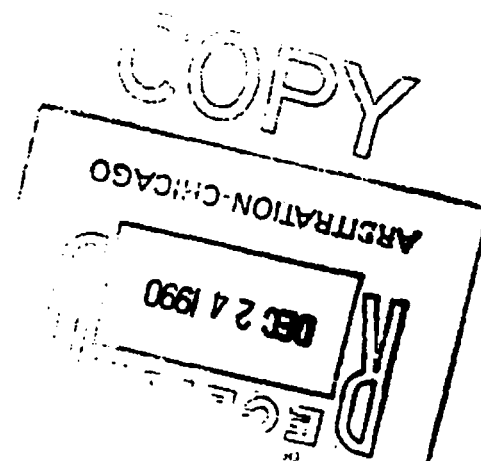
Name of Claimant(s)

Walter Brent & Wondia Clark

89-00430

Name of Respondent(s)

Shearson Lehman Hutton, Inc.
Carlos Villanueva



CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about February 13, 1989 Walter Brent Clark and Wondia R. Clark ("Claimants") alleged that they were unsuitable for stock option trading; unsuitable for margin; that their account was churned; that Carlos Villanueva ("Villanueva") made unauthorized trades in their account; that Villanueva made material misrepresentations regarding option trading and margin; that Respondents Shearson Lehman Hutton, Inc. ("Shearson") and Villanueva (collectively as "Respondents") breached their fiduciary duty; and that Shearson failed to supervise Villanueva.

In their joint answer filed with the NASD on or about May 26, 1989, Respondent denied the allegations of Claimants. Respondents specifically stated that Mr. Clark indicated interest in option trading; that the Clark had prior experience trading in securities and investing in real estate; and that throughout the relationship between Claimants and Respondents, Claimants authorized all transactions and approved all investment strategies. Respondents asserted the following affirmative defenses: Claimants are barred from recovery on the grounds of unclean hands, waiver, estoppel, consent, ratification, failure to mitigate damages, contributory fault, and assumption of risk.

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Arbitration

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PROCEDURAL MATTERS

At the hearing the parties agreed to the execution of a handwritten award by the arbitrator and the receipt of a typed conformed copy of this award.

RELIEF REQUESTED

Claimants requested an award in the approximate amount of \$30,000.00 which sum includes interest, costs and attorneys fees. At the hearing, Claimants amended this amount to approximately \$50,622.46.

Respondent requested that the claim be dismissed in all respects, attorneys fees and expenses.

AWARD

On Tuesday, November 13, 1990 in Houston, Texas during a hearing lasting a total of two (2) sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed on January 26, 1989 by Claimants Walter Brent Clark and Wondia R. Clark on May 12, 1989 by Joseph C. Pickard on behalf of Respondent Shearson Lehman Hutton, Inc. on May 23, 1989 by Respondent Carlos Villanueva.

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. The Statement of Claim shall be and hereby is dismissed and denied in its entirety;
2. Each party shall bear its own costs and expenses incurred in this matter including attorneys fees not specifically enumerated herein.; and
3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the hearing session deposit in the amount of \$250.00 previously deposited with the NASD by the Claimant. Claimant shall pay to the NASD the sum of \$50.00 and Respondents Shearson Lehman Hutton, Inc. and Carlos Villanueva shall pay to the NASD the sum of \$300.00 as forum fees.

By the Panel

Dated: 12/1/90 /s/ Leighton Moss
Leighton Moss, Esq.