

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Robert Pizzo

89-00777

Name of Respondent(s)

Shearson Lehman Brothers, Inc.
Richard Welker

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on March 9, 1989.

Claimant, Robert Pizzo (Pizzo) alleges that Respondent, Richard Welker (Welker), while employed by Respondent Shearson Lehman Brothers, Inc. (Shearson), made wrongful, false and misleading statements regarding a certain common stock purchased by Welker for Pizzo's account.

Pizzo, relying on Welker's assurances, purchased a total of \$27,100.00 worth of said shares during the period of July 11, 1984 through September, 1985. The value of the shares declined during the period of ownership and have become virtually worthless.

Respondents, Welker and Shearson, answering jointly assert that Pizzo's claim is made with the benefit of hindsight and Pizzo seeks to recover losses sustained due to legitimate and unforeseeable market fluctuations. Respondents also allege that Pizzo purchased said stock willingly and was in no way encouraged by Welker to make the purchases.

DAMAGES AND RELIEF REQUESTED

Claimant seeks to recover compensatory damages of \$27,100.00, punitive damages of \$72,900.00, treble damages of \$81,300.00, attorneys' fees and costs.

Respondents seek dismissal of the claim in its entirety, attorneys' fees and costs.

DAMAGES AND RELIEF AWARDED

On January 29 and 30, 1991, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Robert Pizzo on February 24, 1989 and by Respondents Shearson Lehman Hutton, Inc. on June 23, 1989 answering jointly with Respondent Richard Welker.

The hearing was conducted in Las Vegas, Nevada and lasted 4 sessions. 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, Shearson Lehman Hutton, Inc., and Richard Welker are jointly and severally liable and shall pay to claimant Robert Pizzo the sum of Fifteen Thousand Dollars and No Cents (\$15,000.00) together with interest thereon at the rate of 10% per annum from February 28, 1989 to January 29, 1991.
2. The parties shall each bear their respective costs including attorneys' fees.
3. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$750.00 filing fee previously deposited by the Claimant. In addition, Respondents are jointly and severally assessed and shall pay to the NASD forum fees of \$3,000.00.

William Singleton, Esq.

William White



Harold V. Ballard

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