

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)

Ohanian Partnership

89-00902

Name of Respondent(s)

Shearson Lehman Hutton, Inc.  
Harold Parker

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SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on March 23, 1989.

Claimant Ohanian Partnership (Ohanian) claims against Respondents E.F. Hutton (Hutton) and Harold Parker (Parker) as follows:

Ohanian invested \$631,177.57 in American Capital Government Securities (securities) through Parker, an employee of Hutton. Ohanian alleges that, at the time of the purchase, Parker assured Ohanian that the principal value of the securities would not fluctuate with interest rate volatility and that the securities met Ohanian's intent of obtaining an equity risk-free investment. It was later determined that the securities did, in fact, fluctuate with interest rates. The securities were ultimately sold, resulting in a loss of approximately \$100,000.00.

Respondents, Hutton and Parker, allege that Ohanian was fully informed as to the nature of the securities purchased and received a prospectus in connection with the investment in the securities which further specified the risk of interest rate fluctuation. Ohanian's claim that Respondents represented that this investment was "risk free" is wholly without merit.

DAMAGES AND RELIEF REQUESTED

Claimant, Ohanian Partnership, seeks to recover losses of approximately \$100,000.00.

Respondents, E. F. Hutton, Inc. and Harold Parker seek dismissal of the claim in its entirety, with costs and attorneys' fees.

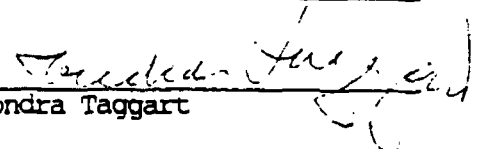
DAMAGES AND RELIEF AWARDED

On November 29, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Ara Ohanian as one general partner of Ohanian Investment Co. on January 25, 1989 and by Respondent Shearson Lehman Hutton Inc., on August 14, 1989.

The hearing was conducted in Los Angeles, California and lasted two 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. Motion for Summary Judgement by Respondents for dismissal of all of Claimant's claims was made at the hearing. Said motion is granted.
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, Respondent is also assessed and shall pay to the NASD fees of \$750.00 in forum fees.

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Sondra Taggart

Served 2/5/91