

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Frances Lucha

Claimant

vs.

CASE #89-01215
AWARD

Shearson Lehman Hutton, Inc.
Jack Klein

Respondents

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on April 25, 1989 Claimant Frances Lucha alleged the Respondents engaged in unauthorized, unsuitable trading and churned her account. Claimant further alleged once she learned of this unauthorized activity in her account she gave specific instructions to stop all trading in her account which instructions were ignored. Respondents Shearson Lehman Hutton, Inc. and Jack Klein maintained that each and every trade in Claimant's account was discussed with her and she was apprised of all risks associated with the investments made in her account and all transactions were authorized by her prior to execution. Respondents further maintained Claimant never expressed any dissatisfaction regarding any trades despite having sufficient documentation and numerous opportunities to do so and maintained that the Claimant's instructions to cease all trading in her account were followed.

RELIEF REQUESTED

Claimant requested damages of \$103,304.00, plus costs expenses and attorney's fees incurred in bringing the arbitration. Respondent requested dismissal of claim plus costs of the arbitration.

AWARD

On February 22, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Frances Lucha on April 21, 1989, and by Respondent Shearson Lehman Hutton, Inc. on June 27, 1989 and by Respondent Jack Klein on February 22, 1990. The hearing was conducted at the offices of the National Association of Securities Dealers, Inc. located in New York City, New York and consisted of two (2) hearing 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 Jack Klein shall be jointly and severally liable to pay the Claimant Frances Lucha the sum of Forty Thousand Dollars and No Cents (\$40,000.00), inclusive of interest.
2. Claimant Frances Lucha shall transfer to Respondents all her right, title and interest in and to the 1500 shares of Shearson Hotel Properties L.P.
3. The parties shall each bear their respective costs including attorneys' fees.
4. Pursuant to Section 43 of the Code of Arbitration Procedures, the National Association of Securities Dealers, Inc. shall retain the \$500.00 filing fee previously deposited by the Claimant. Respondents Shearson Lehman Hutton, Inc. and Jack Klein shall be jointly and severally liable to reimburse Claimant for said \$500.00 filing fee. In addition, the Respondents Shearson Lehman Hutton, Inc. and Jack Klein be and hereby are liable jointly and severally and shall pay to the National Association of Securities Dealers, Inc. the sum of \$500.00 to represent forum fees.

ARBITRATORS CONCURRING



Joseph J. Arata



Allen Kilik



Lionel Bandler

DATED: March 30, 1990