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NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between :
: :
Mary O. Bando : : AWARD
: :
Claimant : : #89-01723
vs. : :
: :
Smith Barney Harris Upham & Co., Inc. : :
Gail Dunbar : :
: :
Respondents : :

Case Summary

Claimant Mary O. Bando alleged that Respondents Smith Barney, Harris, Upham & Co., Inc. and Gail Dunbar opened a margin account for the Claimant without authorization and placed the Claimant in unsuitable, speculative securities. Claimant further alleged that Respondents negligently recommended that she obtain a mortgage loan on her home in order to set up this margin account. Respondents maintained that the Claimant was a highly educated, wealthy individual with significant net worth and that the Claimant specifically requested that a margin account be opened for her. Respondents further maintained that all risks of trading in a margin account were explained to the Claimant, and the Claimant chose not to follow the advice of Respondents in handling of the common stock in her margin account.

Relief Requested

Claimant requested damages in the amount of \$1,021,077.00, treble damages, interest, costs and attorney fees. Respondents requested that the claims of the Claimant be dismissed.

Award

On March 28, 1990 and April 11, 1990 in Boston, Massachusetts, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Mary O. Bando on May 25, 1989, by Respondent Smith Barney, Harris, Upham & Co., Inc. on August 9, 1989 and by Respondent Gail Dunbar on August 14, 1989. The initial claim was filed on June 12, 1989. The arbitrators, having considered the pleadings, the

testimony, and the evidence presented at the hearing, have determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents Smith Barney, Harris, Upham & Co., Inc. and Gail Dunbar are jointly and severally liable and shall pay to the Claimant Mary O. Bando the sum of Twenty Nine Thousand Two Hundred Forty Seven Dollars and Six Cents (\$29,247.06). This amount is inclusive of interest.
2. The parties shall each bear their respective costs including attorney fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$1,000.00 filing fee previously deposited by the Claimant as costs of the five hearing sessions conducted in this matter. All other forum fees are waived.

CONCURRING ARBITRATORS

Julien F. Begien

Alvin J. Mentzel

Stephen Cesso