

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

IN THE MATTER OF THE ARBITRATION BETWEEN :

Irmgard A. Krabisch :

CLAIMANT

vs. :

Paul Riven and
Shearson Lehman Hutton, Inc.

RESPONDENTS

: Case #89-02200

AWARD

CASE SUMMARY

Claimant Irmgard A. Krabisch alleged that the Respondents Paul Riven and Shearson Lehman Hutton, Inc. executed unauthorized transactions in her account and purchased unsuitable investments for her account. Specifically, the Claimant alleged she was an unsophisticated, inexperienced investor and that the Respondents recommendation, and the Claimant's subsequent purchase, of stock in Long Lake Energy Corp. was completely unsuitable and much too speculative for someone in the Claimant's financial position.

The Respondents contended the Claimant authorized and approved all transactions in her account prior to their execution with full knowledge of the risks involved. The Respondents contended that the investment in Long Lake was suitable for the Claimant and that the losses sustained in the Claimant's account were due to market conditions over which the Respondents had no control.

RELIEF REQUESTED

Claimant Irmgard A. Krabisch requested actual damages of \$8,000.00. Respondents Paul Riven and Shearson Lehman Hutton, Inc. requested dismissal of the Statement of Claim in its entirety, plus costs and attorney's fees.

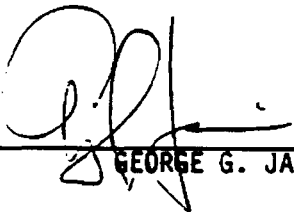
AWARD

On April 6, 1990, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Irmgard A. Krabisch on March 29, 1989, by Respondent Paul Riven on November 27, 1989 and by Respondent Shearson Lehman Hutton, Inc. on November 9, 1989. The hearing was conducted in Albany, New York and consisted of one (1) hearing session. 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. The Respondents Paul Riven and Shearson Lehman Hutton, Inc. be and hereby are jointly and severally liable and shall pay to the Claimant Irmgard A. Krabisch the sum of Three Thousand Seventy Eight Dollars and No Cents (\$3,078.00), plus 9% interest from September 19, 1986 to March 15, 1989.
2. The parties shall each bear their respective costs including attorney's fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$200.00 filing fee previously deposited by the Claimant as costs of the one (1) hearing session conducted in this matter.

CONCURRING ARBITRATOR



GEORGE G. JANIS

DATED: May 29th, 1990