

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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: In the Matter of the Arbitration Between :  
: :  
: Martha W. High :  
: Claimant : CASE# 89-02281  
: :  
: vs. : AWARD  
: :  
: Shearson Lehman Hutton, Inc. :  
: Robert B. Grade :  
: Respondents :  
: :  
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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 14, 1989 Claimant Martha W. High alleged the Respondents entered the Claimant into unauthorized stock purchases and further alleged Respondent Shearson Lehman Hutton, Inc. failed to properly supervise Robert B. Grade and ratified his misconduct. Respondents Shearson Lehman Hutton, Inc. and Robert B. Grade maintained the transaction was discussed with the Claimant prior to its execution and the Respondent Robert B. Grade obtained the Claimants verbal authorization to execute the trades. Respondents further maintained the Claimant's failure to seek cancellation of the purchases after receiving confirmation statements acts as a ratification of Robert B. Grade's actions.

RELIEF REQUESTED

Claimant requested damages of \$50,034.26, which represents the difference between the total purchase price and the value of the stocks on October 26, 1987, plus the Shearson money market interest Claimant lost, or in the alternative damages of, \$134,822.91 which represents the full amount paid for the securities plus interest at the Shearson money market rate less \$90,341.50 and less the current market value at the date of judgement of the securities still held by Claimant plus punitive damages, costs and reasonable attorneys' fees. Respondents requested denial of the Statement of Claim, plus costs and attorneys' fees.

AWARD

On May 17 and June 6, 1990 the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Martha W. High on August 4, 1989 and by Respondent Shearson Lehman Hutton, Inc. on October 18, 1989 and by Respondent Robert B. Grade on October 18, 1989. The hearing was held at the offices of the National Association of Securities Dealers, Inc. located in Washington, DC and consisted of five (5) hearing sessions including a pre-hearing conference conducted on May 2, 1990. 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 claim by the Claimant be and hereby is dismissed in all respects.
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 \$750.00 filing fee previously deposited by the Claimant and the Respondent Shearson Lehman Hutton, Inc. be and hereby is liable and shall pay to the Claimant Martha W. High the sum of Seven Hundred Fifty Dollars and No Cents (\$750.00) to offset the filing fee paid by the Claimant. In addition, the Respondent Shearson Lehman Hutton, Inc. be and hereby is liable and shall pay to the National Association of Securities Dealers, Inc. the sum of Three Thousand Dollars and No Cents (\$3,000.00) to represent forum fees.

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CONCURRING ARBITRATORS

*Paul A. Yates* 2/14/90

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Paul A. Yates

*Thomas B. Corey*

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Thomas B. Corey

*Robert Paulger Linn*

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Robert Paulger Linn

DATED: August 20, 1990