



N.A.S.D. AWARD

Arbitration

National Association of  
Securities Dealers, Inc.  
One East Broward Boulevard  
Suite 1000  
Ft. Lauderdale, Florida 33301  
(305) 522-7391

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Rochelle Alexander

Name of Respondent(s)

Shearson Lehman Hutton, Inc.  
Terrell Bebout

Case No. 89-02296

Heard before the members of the Arbitration Panel:

John P. Cullen, Esq.  
John F. Geraci  
Andrew Fellios

CASE SUMMARY

This claim was filed with the NASD, Inc. on August 15, 1989. The hearing was conducted in Tampa, Florida on September 11 and 12, 1990 with two (2) pre-hearing conferences on August 2 and 29, 1990, for a total of seven (7) sessions.

Claimant, Rochelle Alexander ("Alexander"), alleged that Respondents, Shearson Lehman Hutton, Inc. ("Shearson"), and Terrell Bebout ("Bebout"), were liable for: recommending unsuitable investments to Claimant; excessive trading; causing Claimant to pay excessive commissions; violations of Section 10b-5, Rule 10(b) and other provisions of the Securities and Exchange Acts of 1933 and 1934; violations of Section 517.301 of the Florida Statutes; breach of Fiduciary duty; breach of duty to exercise reasonable care; and failure to supervise. These claims relate to purchases and sales of stocks in Claimant's account.

Respondents alleged that: Claimant's investment objectives were income and growth; Claimant was suitable for all transactions; Claimant's account was not excessively traded; Claimant was informed of all the risks involved; any losses incurred were due to Claimant's own investment decisions and market conditions; and Respondents complied with all applicable rules and regulations.

Respondents asserted the affirmative defense of ratification.

#### RELIEF REQUESTED

Claimant requested damages in the amount of \$100,000.00, plus interest, costs, and attorney's fees.

Respondents requested dismissal of the claim plus costs, and attorney's fees.

#### AWARD

On August 2 and 29, 1990, and September 11 and 12, 1990, the arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on July 26, 1989, and by Respondents, Bebout and Shearson, on August 7 and 21, 1990. The arbitrators 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 parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.
2. Respondents, Bebout and Shearson, are found not liable and, therefore, all claims against them are hereby dismissed.
3. Claimant's requests for attorney's fees and costs are denied.
4. Respondents' requests for attorney's fees and costs are denied.
5. Pursuant to Section 43 of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of Three Thousand Five Hundred and 00/100 (\$3,500.00) Dollars (7 sessions x 500 per session). Claimant is hereby assessed One Thousand Seven Hundred Fifty and 00/100 (\$1,750.00) Dollars for which the National Association of Securities Dealers, Inc. shall retain the Five Hundred and 00/100 (\$500.00) Dollars previously deposited in partial satisfaction thereof. Respondents, Bebout and Shearson are hereby assessed One Thousand Seven Hundred Fifty and 00/100 (\$1,750.00) Dollars jointly and severally, payable to the National Association of Securities Dealers, Inc.
6. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding including attorney's fees.

#### OTHER ISSUES

None.

**ARBITRATORS CONCURRING**

/s/  
John P. Cullen, Esq.

/s/  
John F. Geraci

/s/  
Andrew Fellios

**Dated: December 5, 1990**