

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	)	
Thomas G. Clark, Jr.	)	AWARD
vs.	)	CASE #89-02298
Shearson Lehman Hutton, Inc.	)	
and James Crawford	)	
	)	
	)	

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on August 15, 1989. Claimant alleged that Respondents failed to communicate with him during the life of his account; that Respondents made unauthorized trades in order to earn increased commissions; that Respondents failed to disclose the risks associated with options; and that the investments made were unsuitable.

Respondents denied the allegations and maintained that in addition to verbal conversations and meetings between Claimant and his broker, Claimant received confirmation slips and monthly statements as communications from Respondents; that all trades were authorized by Claimant and that Claimant exercised his own judgment regarding investments and declined various trades recommended by Respondents; that the risks of the option strategy employed of purchasing puts and selling covered calls was fully disclosed and explained to Claimant; and that the investments made were suitable and consistent with Claimant's investment objectives.

DAMAGES AND RELIEF REQUESTED

Claimant requested damages, as amended at the hearing, of \$75,000.00 for trading losses including commissions; \$42,000.00 for loss of income; \$675.00 for tax preparation; and \$50,000.00 for mental suffering.

Respondents requested dismissal of the claim and an award of attorney's fees and costs.

### DAMAGES AND RELIEF AWARDED

On July 24, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on May 11, 1989 and by Respondents Shearson Lehman Hutton, Inc. on November 7, 1989 and James Crawford on June 19, 1990. The hearing was conducted in Los Angeles, California and lasted two 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. Claimant is awarded the sum of \$8,995.00 assessed against Respondents jointly and severally.
2. All other claims are dismissed.
3. The parties shall each bear their respective costs including attorneys' fees.
4. In accordance with Section 43 of the NASD Code of Arbitration Procedure:
  - a) The NASD shall retain the \$750.00 filing fee previously deposited by the Claimant; and
  - b) Respondents are jointly and severally assessed the sum of \$750.00 representing forum fees to be paid to the NASD directly.

### OTHER ISSUES

The parties stipulated to the execution and service of the award in counterpart copies.

### ARBITRATORS CONCURRING

Herman R. Friedberg

  
Michael Leymon Coffey

William L. Fieldman

DATE SERVED 09/10/90