

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Rick Hampton

89-02389

Name of Respondent(s)

E.F. Hutton & Company, Inc.
Ronald Sanchez

CASE SUMMARY

In a Statement of Claim filed with the NASD on August 24, 1989, Claimant Rick Hampton alleged that from October 1983 through March, 1985, Respondents effected transactions in his options account without Claimant's authorization or knowledge; that such trading was unsuitable; and that such excessive trading was effected to churn the account.

In a Statement of Answer filed with the NASD on October 13, 1989, Respondents E. F. Hutton & Co., Inc. (now known as Shearson Lehman Hutton, Inc.) and Ronald Sanchez deny the allegations that they are responsible for any losses suffered in Claimant's account. Specifically, Respondents allege that Claimant was fully informed of the risks of trading in options, executed all required forms for opening an options account and a margin account; all transactions were authorized; and, the investments recommended by Respondent Sanchez were both suitable and consistent with Claimants investment objectives and financial condition.

RELIEF REQUESTED

Claimants requested that an award be entered against Respondent in the amount of \$35,000.00.

Respondents requested that the Statement of Claim be dismissed and that costs and attorneys fees incurred by Respondent be assessed against Claimant.

AWARD

On October 23, 1990, in Denver, Colorado, during a hearing lasting two sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on September 12, 1989 by Claimant Rick Hampton, on October 6, 1989 by William A. Hohausser on behalf of Respondent Shearson Lehman Hutton, Inc. and on October 6, 1989 by Respondent Ronald Sanchez.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent E. F. Hutton & Co., Inc., now known as Shearson Lehman Hutton, Inc. shall be and hereby is liable for and shall pay to Claimant Rick Hampton the sum of \$9,000.00;

2. The Statement of Claim against Ronald Sanchez is hereby dismissed and denied in its entirety;

3. The parties shall each bear their own respective costs including attorneys fees;

4. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$400.00 filing fee previously deposited with the NASD by the Claimant Rick Hampton. Respondent E. F. Hutton, Inc., now known as Shearson Lehman Hutton, Inc., is liable for and shall pay additional forum fees to the NASD in the amount of \$400.00.

11/1/90
Dated: _____

By the Panel

/S/


Samuel E. Wing, Esq.
Presiding Chair

Dated: _____

/S/

Robert C. Roth, Jr. Esq.

Dated: _____

/S/

Frank L. Miller

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By the Panel

Dated: _____

/S/

Samuel E. Wing, Esq.
Presiding Chair

Dated: November 7, 1990

/S/

Robert C. Roth, Jr. Esq.

Dated: _____

/S/

Frank L. Miller

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By the Panel

Dated: _____

/S/ _____
Samuel E. Wing, Esq.
Presiding Chair

Dated: _____

/S/ _____
Robert C. Roth, Jr. Esq.

Dated: 11-5-90

/S/ 
Frank L. Miller