

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
)	
Arthur & Helen Pabor)	
)	
Claimants &)	
Counter-Respondents)	AWARD
vs.)	
)	NASD # 89-02679
Shearson Lehman Hutton, Inc.)	
Charles D. Tom)	
)	
Respondents &)	
Counter-Claimants)	

SUMMARY OF ISSUES

Claimants alleged fraud, breach of contract, churning negligence and breach of fiduciary duty under Federal Securities acts and the Washington State Securities Act by Respondents in connection with Claimants' investments in index options.

Respondent denied all allegations, and asserted that Claimants' losses were a result of the October 1987 market crash. In a counterclaim, Shearson Lehman alleged an outstanding debit balance in Claimants' margin account.

DAMAGES AND RELIEF REQUESTED

Claimants requested damages of approximately \$50,000.00, plus general damages for emotional distress, punitive damages, and attorney's fees.

Respondents requested dismissal of all claims and an award on the counterclaim of \$45,584.00 plus interest.

DAMAGES AND RELIEF AWARDED

This claim was filed with the NASD on September 26, 1989. On November 6, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants on November 29, 1989, by an authorized representative of Shearson Lehman on February 1, 1990, and by Charles Tom on April 24, 1990. The hearing was conducted in Seattle, Washington and lasted two (2) sessions. The arbitration panel, having considered the pleadings, the testimony, the evidence presented at the hearing, and the post-hearing submissions, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay to Claimants the sum of \$4,738.44 plus interest in the amount of \$1,230.63.
2. Respondents are jointly and severally liable for and shall pay to Claimants the sum of \$2,000.00 for attorney's fees pursuant to Section RCW 21.20.430 of the Washington State Securities Act.
3. The counter-claim is dismissed.
4. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$400.00 filing fee previously deposited by the Claimant. The \$400.00 filing fee deposited in connection with the counter-claim will also be retained.

OTHER ISSUES

None.

ARBITRATORS CONCURRING

DATE SERVED: 1/25/91


Eric A. Chiappinelli

James A. Vawter

Alan T. Robertson