



N.A.S.D. AWARD

Arbitration

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of  
Securities Dealers, Inc.  
NASD Financial Center  
33 Whitehall Street  
New York, New York 10004

In the Matter of the Arbitration Between

Name of Claimant

Henry J. Robitaille

vs

Case #  
89-02778

Name of Respondents

Shearson Lehman Hutton, Inc.  
Robin J. Russo  
George J. Quinn

Heard before the members of the Arbitration Panel:

Name

Mark J. Levison

Public/Industry

Public

Simon J. Tager

Public

Julian F. Baum

Industry

CASE SUMMARY

This matter was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on October 06, 1989. Claimant, Henry J. Robitaille, alleges that he was a conservative investor and that Respondent, George J. Quinn, engaged in the purchases of options in his account which were unauthorized and unsuitable. Claimant further alleges that said Respondent initiated over 1,300 unauthorized trades valued at over \$11,000,000.00, churned his account by 27.94 times from January 1, 1985 to December 31, 1987. Claimant also contends that Respondent Quinn failed to fairly or adequately explain the risk involved in trading on margin. Claimant also alleges RICO claims as well as common law causes of action.

In a Statement of Answer filed with the NASD on January 29, 1990, Respondents, Shearson Lehman Hutton, Inc. and Robin J. Russo, deny the allegations and deny liability. They contend that Claimant was a sophisticated investor who authorized each and every trade made in his account. They maintain that the trades were consistent with Claimant's investment objectives and that the losses sustained by the Claimant was due to the crash of October, 1987.

Respondent, George J. Quinn, denies the allegations of wrongdoing and denies liability. He contends that Claimant was fully apprised of the risks and

that Claimant authorized the trades.

RELIEF REQUESTED

Claimant requests that the panel award him \$2,151,523.00 in compensatory damages, \$6,454,569.00 in punitive damages, attorney's fees, interest and costs.

Respondents, Shearson, Russo and Quinn, request that the panel dismiss the Statement of Claim in its entirety.

AWARD

On October 10, 1990, November 05, 1990, November 06, 1990, November 13, 1990, November 28, 1990, December 13, 1990, December 14, 1990, January 10, 1991, January 11, 1990 and January 23, 1990, in Boston, Massachusetts during a hearing lasting twenty (20) sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant, Henry J. Robitaille on October 06, 1989, signed by John Morris on behalf of Respondent, Shearson Lehman Brothers, Inc., on January 26, 1990, signed by Respondent, Robin J. Russo, on February 02, 1990 and signed by Respondent, George J. Quinn, on April 25, 1990.

After considering the pleadings, the testimony, and the evidence presented at the hearing, the arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original remain on file with the NASD.

1. Respondent, Shearson Lehman Hutton, Inc., is hereby liable to Claimant in the amount of Three Hundred Thousand Dollars and Zero Cent (\$300,000.00);
2. The claim for punitive damages is denied;
3. No interest is awarded on the above sum;
4. The parties shall each bear their respective costs including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed:

1. The NASD shall retain the \$1,000.00 deposit previously made by the

Claimant. Claimant is assessed a non-refundable deposit of \$250.00. Claimant shall be reimbursed the remaining \$750.00 as indicated below;

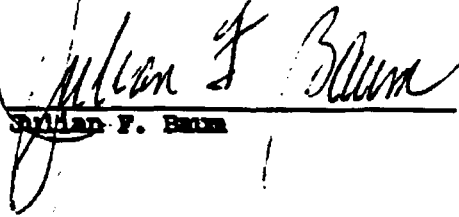
2. Respondent, Shearson Lehman Hutton, Inc., is assessed forum fees in the amount of \$11,500.00. Said Respondent shall reimburse Claimant \$750.00. Therefore, the total amount payable to the NASD by Shearson shall be \$10,750.00;

3. Respondent, Robin J. Russo, is assessed forum fees in the amount of \$7,500.00;

4. Respondent, George J. Quinn, is assessed forum fees in the amount of \$1,000.00.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator Signature



Julian F. Baum

Date of Decision: \_\_\_\_\_

DATED BY NASD  
FEBRUARY 26, 1991

Claimant. Claimant is assessed a non-refundable deposit of \$250.00. Claimant shall be reimbursed the remaining \$750.00 as indicated below;

2. Respondent, Shearson Lehman Hutton, Inc., is assessed forum fees in the amount of \$11,500.00. Said Respondent shall reimburse Claimant \$750.00. Therefore, the total amount payable to the NASD by Shearson shall be \$10,750.00;

3. Respondent, Robin J. Russo, is assessed forum fees in the amount of \$7,500.00;

4. Respondent, George J. Quinn, is assessed forum fees in the amount of \$1,000.00.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator Signature

  
\_\_\_\_\_  
Mark J. Levinson

DATED BY NASD  
FEBRUARY 25, 1991

Date of Decision: \_\_\_\_\_