

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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IN THE MATTER OF THE ARBITRATION BETWEEN :

Lesley Cowenhoven :

Claimant :

Case #89-03139

vs. :

AWARD

Shearson Lehman Hutton, Inc. and  
William R. Cosbob :

Respondents :  
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CASE SUMMARY

Claimant, Lesley Cowenhoven, alleged that Respondent, Shearson Lehman Hutton, Inc. and William R. Cosbob, placed her account into unsuitable investments, violated the "know you customer" rule, engaged in unauthorized options trading and engaged in churning the account.

Respondents maintained that Claimant's account was handled in her best interest and in keeping with her stated goals and objectives. Respondents further asserted that the Statement of Claim is factually inaccurate regarding the amount of losses, reason for the losses and any motivation to act in a wrongful manner. They also averred that the Statement of Claim has no information, facts or statistics to support a claim of churning. They further maintained that some of the discrepancies in the account resulted from Claimant's cash withdrawals.

RELIEF REQUESTED

Claimant, Lesley Cowenhoven, requested damages in the amount of \$60,000.00, plus attorney's fees, interest and costs. Respondents, Shearson Lehman Hutton, Inc. and William R. Cosbob, requested dismissal of all claims made against them.

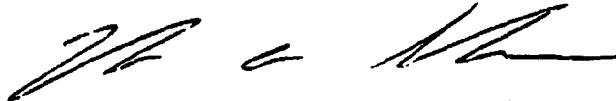
AWARD

On July 31, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimant Lesley Cowenhoven, on November 2, 1989, and by Respondents, Shearson Lehman Hutton, Inc. and William R. Cosbob, on January 3, 1990 and January 15, 1990, respectively. The hearing was held in New York City at the offices of the National Association of Securities Dealers, Inc. and consisted of two sessions.

The arbitration panel, having considered the pleading, 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 claim by the Claimant, Lesley Cowenhoven, hereby is dismissed in all respects.
2. The parties shall each bear their respective costs, including attorneys' fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$500.00 filing fee previously deposited by the Claimant.
4. In accordance with Section 43 of the Code of Arbitration Procedure, the Claimant hereby is liable and shall pay to the National Association of Securities Dealers, Inc., through its staff counsel, the sum of \$250.00 to represent forum fees. The Respondent hereby is liable and shall pay to the NASD, Inc., through its staff counsel, the sum of \$250.00 to represent forum fees.

**ARBITRATORS CONCURRING**

  
JOSEPH A. SCHUBIN

  
JACK GOODMAN

  
JIMMY H.C. WANG

DATED: August 29, 1990