

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

William J. Hillery

Claimant

vs.

Smith Barney, Harris  
Upham & Co., Inc.

Respondent

AWARD

CASE NO. 89-03192

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on November 13, 1989. Claimant alleged an improper execution of an option trade of Standard & Poor 100 Index Puts. Respondent denied all substantive allegations of Claimant and alleged that any delay in the execution of the order was due to the extreme volatility of the market and heavy influx of orders at the relevant time.

DAMAGES AND RELIEF REQUESTED

Claimant requested compensatory damages of \$5,875.00 and \$3,125.00 in punitive damages.

DAMAGES AND RELIEF AWARDED

On June 15, 1990, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on November 7, 1989 and by Respondent on December 15, 1989. The hearing was conducted in San Francisco, California and lasted one session. 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:

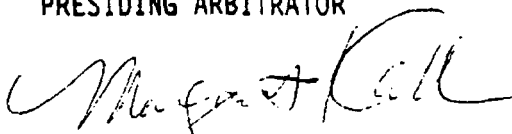
1. Respondent is liable for and shall pay to Claimant the sum of Five Thousand, Eight Hundred Seventy-Five Dollars and Zero Cents (\$5,875.00).

2. The claim for punitive damages is 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, the NASD shall retain the \$200.00 filing fee previously deposited by the Claimant as an assessment of forum fees by the arbitrator.

PRESIDING ARBITRATOR

A handwritten signature in cursive script, appearing to read "Margaret Kallman", written over a horizontal line.

Margaret Kallman

DATE SERVED: 07/20/90

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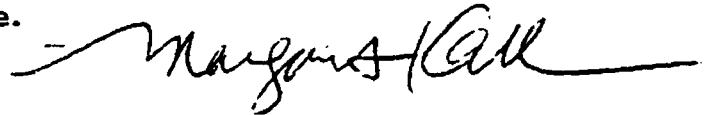
Respondent

REPORT OF  
ARBITRATOR

CASE NO.  
89-03192

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Respondent failed to explain the four minute delay in executing Claimant's order (from 7:36 to 7:40 P.S.T.), which was before the market was disrupted and executions became justifiably delayed. There is no evidence of fraud on the trading floor in connection with Claimant's trade.



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Arbitrator