

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Katherine Jean Morgan

90-00469

Name of Respondent(s)

Shearson Lehman Hutton, Inc.
James Constantine

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about February 1, 1990, Katherine Jean Morgan ("Claimant") alleged that James A. Constantine, a registered representative of Shearson Lehman Hutton, Inc. (Constantine and Shearson are collectively referred to herein as "Respondents") 1) made unauthorized purchases in her account, 2) made unsuitable investments for the Claimant in light of her investment objectives, financial sophistication, and financial situation, 3) used margin in her account without her authorization or knowledge, and 4) failed to explain the risks of the investments. Respondents denied the claims of the Claimant.

RELIEF REQUESTED

Claimant requested damages in the amount of \$46,000, plus interest. Respondents requested that the claims of the Claimant be dismissed with prejudice.

PROCEDURAL MATTERS

On January 28, 1991 in Kansas City, Missouri during a hearing lasting two sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on February 6, 1990 by the Claimant, on May 7, 1990 by William A. Hohauser on behalf of Respondent Shearson Lehman Hutton, Inc., and on May 16, 1990 by Jamie Constantine.

The parties have agreed that the Award in this matter may be executed in counterpart copies. The parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

AWARD

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. The Respondents are jointly and severally liable for and shall pay to the Claimant the sum of Twenty Five Thousand Four Hundred Seventy Nine Dollars and no cents (\$25,479.00).

2. The parties shall bear their own costs including attorneys' fees.

3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain \$120.00 of the \$500.00 previously deposited with the NASD by the Claimant and the NASD shall refund the balance to the Claimant. The Respondents are jointly and severally liable for and shall pay to the NASD \$800.00 as forum fees.

Concurring Arbitrator(s) Signature

John H. Lungren, Esq.

Dated: _____

Robert A. Babcock, Esq.

Dated: _____

Roland Pera

Roland Pera

Dated: 2-12-01


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Concurring Arbitrator(s) Signature



John H. Dungen, Esq.

Dated: April 8, 1991

Robert A. Babcock, Esq.

Dated: _____

Roland Pera

Dated: _____

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Concurring Arbitrator(s) Signature

John H. Lungren, Esq.



Robert A. Babcock, Esq.

Dated: _____

Dated: FEB. 11, 1991

Roland Pera

Dated: _____