

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

Marjorie Hilsenrad :

Diane M. Spaugh :

Claimants :

vs. :

Shearson Lehman Brothers, Inc. :

Keith Woodcock :

Respondents :

CASE #90-00634
AWARD

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 5, 1990, Claimants Marjorie Hilsenrad and Diane M. Spaugh, who appeared Pro Se, alleged that Respondents Shearson Lehman Brothers, Inc. and Keith Woodcock misinformed them and failed to disclose relevant and vital information regarding TWA bonds and that these investments were recommended just prior to market decline. The Claimants further alleged that they were charged excessive mark-ups on these bonds.

Respondents, Shearson Lehman Brothers, Inc. and Keith Woodcock, through their in-house counsel, William A. Hohauser, Esq., maintained that they acted at all times in a professional and ethical manner and in accordance with all exchange and governmental regulations. The Respondents further maintained that the Claimants are seeking to recover speculative losses they may have sustained due to unforeseeable market fluctuations for which they should not be held liable.

RELIEF REQUESTED

Claimants, Marjorie Hilsenrad and Diane M. Spaugh requested \$2,500.00 in actual damages.

Respondents, Shearson Lehman Brothers, Inc. and Keith Woodcock requested the claims of the Claimants be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Neil Bardack, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on April 13, 1990, by the Respondent Shearson Lehman Brothers, Inc. on March 30, 1990 and not signed by Respondent Keith Woodcock as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The Respondents, Shearson Lehman Brothers, Inc. and Keith Woodcock are jointly and severally liable and shall pay to Claimants Marjorie Hilsenrad and Diane M. Spaugh \$2,500.00 in actual damages.
2. The parties shall bear their respective costs.
3. The \$25.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc. Shearson Lehman Brothers, Inc. and Keith Woodcock shall pay \$25.00 to the Claimants as reimbursement.

AFFIRMATION

I, NEIL BARDACK, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATE OF DECISION: 5-4-92