

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration BetweenName of Claimant

Kathy Sue Sorkin

vs.

Case #
90-01297
AWARDName of RespondentsShearson Lehman Hutton, Inc.
Rowen Negrin

CASE SUMMARY

Claimant, Kathy Sue Sorkin, alleges that she advised Rowen Negrin, a Financial Consultant with Shearson Lehman Hutton, Inc., that her investment objective was "absolute preservation of capital and for minimal risk". Claimant contends that Negrin failed to advise her that the Client Agreement which she signed contained a margin agreement and that he misrepresented the safety of securities which he recommended. Claimant further contends that he made unsuitable recommendations in violation of the rules of the NASD and that without authorization, Negrin purchased IBM Scores and represented to her that these derivative securities were the equivalent of IBM stocks. Claimant alleges that Respondent, Shearson Lehman Hutton, Inc. is liable for their wanton disregard of basic supervisory requirements. Claimant alleges that as a result of Respondents' actions she suffered losses in the amount of \$32,235.69.

Respondents deny the allegations of the Statement of Claim and deny liability to the Claimant. Respondents contend that Claimant did not communicate to Mr. Negrin that she wanted "absolute preservation of capital" and "minimal risk". Respondents maintain that all trades were made with Claimant's knowledge and approval and were consistent with her investment objective.

RELIEF REQUESTED

Claimant requests that the panel award her \$\$32,235.69 in compensatory damages, interest at the judgment rate from March 15, 1989 and punitive damages. Respondents request that the panel deny the claim.

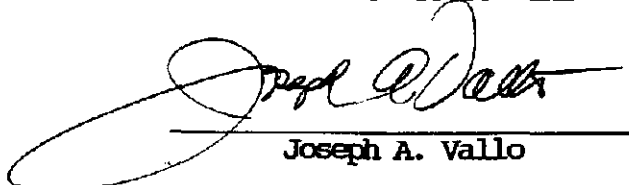
National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, New York 10004

AWARD

On December 07, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimant on April 10, 1990 and by the Respondents on June 19, 1990 and June 26, 1990, respectively. The Statement of Claim was filed with the National Association of Securities Dealers, Inc. on May 08, 1990. The hearing consisted of two hearing sessions and was conducted in New York, New York. 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. All claims asserted by the Claimant against the Respondents are hereby denied in their entirety;
2. The parties shall each bear their respective costs, including attorney's fees;
3. Respondents are assessed \$500.00 postponement fee for the hearing previously scheduled for November 2, 1990 and the deposit of \$400.00 made on October 22, 1990 shall be applied to this fee. Respondent shall remit the remaining \$100.00 to the NASD, Inc. in accordance with the Code of Arbitration Procedure;
4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$400.00 filing fee previously deposited by the Claimant. Claimant is assessed forum fees for two hearing sessions in the amount of \$1000.00 (\$500.00 x 2). Claimant is further assessed a non-refundable fee of \$150.00. Therefore, Claimant shall remit a total of \$750.00 made payable to the NASD, Inc. and submitted through its staff counsel.

ARBITRATOR CONCURRING



Joseph A. Vallo

DATED BY NASD

DECEMBER 31, 1990

AWARD

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ARBITRATOR CONCURRING


Robert D. Owen, Esq.

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DECEMBER 31, 1990

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ARBITRATOR CONCURRING


John Dawson

DATED BY NASD
DECEMBER 31, 1990