

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between: :
: :
LEON VALES : :
: :
CLAIMANT : :
: :
V. : AWARD :
: #90-01412 :
: :
SHEARSON LEHMAN HUTTON, INC. : :
JOHN MORAN : :
: :
RESPONDENTS : :
: :

CASE SUMMARY

The Statement of Claim was filed with the NASD, Inc. on May 18, 1990.

Claimant, Leon Vales alleged that Respondent, John Moran, engaged in unauthorized trades, churning and unsuitable investments in connection with his account at Shearson Lehman Hutton, Inc. Claimant further alleged that Respondent, Shearson Lehman Hutton, Inc. failed to supervise its employee, Respondent, John Moran while in its employ.

Respondents, Shearson Lehman Hutton, Inc. and John Moran denied all allegations of wrong-doing and maintained that Claimant, Leon Vales authorized all trades and received confirmations of all trades together with monthly statements which disclosed the activity which took place in Claimant's account but did not complain about the handling of his account until one year after the trades in question.

RELIEF REQUESTED

Claimant, Leon Vales, requested a total award in the amount of \$60,263.00 including interest and return of commissions.

Respondents, Shearson Lehman Hutton, Inc. and John Moran requested dismissal of the Claim plus interest, costs and attorneys' fees.

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AWARD-#90-01412

AWARD

On December 18, 1990 and February 11, 1991 the undersigned arbitrators heard the controversy between the Parties as set forth in submissions to arbitration signed by the Claimant, Leon Vales on May 15, 1990 and by Respondents, Shearson Lehman Hutton, Inc. and John Moran on December 18, 1990. The hearing was held in New York City and consisted of four (4) sessions. 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, Shearson Lehman Hutton, Inc. shall pay to Claimant, Leon Vales, the sum of Two Thousand Seven Hundred Eighty Four Dollars and no Cents (\$2,784.00) exclusive of interest;
2. All Claims of the Claimant, Leon Vales, against Respondent, John Moran, shall be and hereby are dismissed in all respects;
3. The Parties shall each bear their respective costs, including attorneys' fees;
4. 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;
5. Respondent, Shearson Lehman Hutton, Inc. is assessed forum fees in the amount of \$1,500.00 payable to the NASD, Inc. through its staff administrator in accordance with Section 43 of the Code of Arbitration Procedure.

ARBITRATORS CONCURRING.

/s/

Arnold L. Goren
(Public-Chairman)

/s/

Jerome Goodgal
(Public-Panelist)

/s/

Lewis Silver, Esq.
(Industry-Panelist)

DATED BY NASD
FEBRUARY 22, 1991