

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Shirley Cordasco
Craig Cordasco
Kevin Cordasco
Kimberly Cordasco
The Cordasco 1985 Family Trust

vs.

NASD Arbitration
No. 90-01693

Name of Respondents

Shearson Lehman Brothers, Inc.
La Vonne Doss
Allen Levitt

REPRESENTATION

For Claimant: J. Thomas Cairns, Jr. Esq. - Freeman, Freeman & Smiley -
Los Angeles, California

For Respondent: Neal S. Robb, Esq. - Keesal, Young & Logan -
Long Beach, California

For Respondent: Allen Levitt - Rick Flam, Esq. - Flam & Chazen
Encino, California

CASE INFORMATION

Statement of Claim filed: June 14, 1990

Claimants' Submission Agreements signed on: July 6, 1990

Joint Statement of Answer filed by Respondents, Shearson Lehman Brothers, Inc.,
and LaVonne Doss on: April 30, 1991

Respondents, Shearson Lehman Brothers, Inc. and LaVonne M. Doss' Submission
Agreements signed on June 30, 1992

Statement of Answer filed by Respondent, Alan Levitt on October 11, 1991

HEARING INFORMATION

Pre-Hearing Conferences: February 21, 1992 - One Session
April 6, 1992 - One Session
April 8, 1992 - One Session

Hearing Dates/Sessions: April 22, 1992 - Two Sessions
April 23, 1992 - Two Sessions
May 26, 1992 - Two Sessions
May 27, 1992 - Two Sessions
August 24, 1992 - Two Sessions
August 25, 1992 - Two Sessions
August 26, 1992 - Two Sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants, the Cordascos alleged that Respondents, Shearson Lehman Brothers, Inc., LaVonne Doss, and Allen Levitt, solicited, recommended and managed margin trading in DataMed stock and said actions constituted fraud and violation of Section 10(b) of the Securities Act of 1934 and Rules 10(b) 5 and 10(b) 16. In particular, the Cordascos contend that Respondents knew or should have known that margin trading in such securities was not suitable for customers in the Cordascos' position; that Respondents concealed or failed to disclose the nature of margin trading and the risks associated therewith; and that Respondents made misrepresentations of material fact and omitted to disclose material facts in connection with the DataMed trades, the margin account, and the manner in which the Cordasco's accounts were liquidated in order to satisfy margin calls.

Respondents, alleged that all of the purchases of Cordascos' DataMed shares were accomplished at the complete and sole advice of the Cordascos' financial advisor and close personal friend. It was never the advice of the Respondents to the Cordascos to engage in speculative trading that apparently took place solely at Shirley Cordasco's direction.

RELIEF REQUESTED

Claimants requested compensatory damages in the sum of not less than \$600,000.00, representing losses as a result of margin trading in the securities of Data Medical Clinical Support Services, Inc. (DataMed) and punitive damages.

Respondents requested dismissal of the claim in its entirety, costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original(s) remain on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Each and every claim of Claimants, Shirley Cordasco, Craig Cordasco, Kevin Cordasco, Kimberly Cordasco and the Cordasco 1985 Family Trust, against Respondents, Shearson Lehman Brothers, Inc., LaVonne Doss and Alan F. Leavitt, is dismissed.

2. The parties shall each bear their respective cost and fees, including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

1. Claimants are jointly and severally assessed and shall pay to the NASD the sum of \$9,450.00 representing assessments for one-half of the fees for 3 pre-hearing sessions at \$300.00 each and one-half of the fees for 14 regular hearing sessions at \$1,500.00 each, less the previously deposited sum of \$1,500.00.

2. Respondents are jointly and severally assessed and shall pay to the NASD the sum of \$10,950.00 representing assessments for one-half of the fees as outlined above.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATORS

Name

Evalyn Ann Kramer

Eugene Kramer

John P. McShane

Public/Industry

Public Arbitrator

Public Arbitrator

Industry Arbitrator

Concurring Arbitrators' Signatures

Evalyn Ann Kramer



Eugene Kramer

John P. McShane

DATE SERVED: 09/15/92

Date of Decision: 9/11/92