

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Audrey H. Jassenoff  
Jerome Jassenoff  
Laurie B. Jassenoff

90-01719

Name of Respondents

Shearson Lehman Hutton, Inc.  
Leonard S. Altamura  
Steven M. Gross

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REPRESENTATION

For all Claimants: Dennis J. Drasco, Esq. of Lum, Hoens, Conant & Danzis  
For all Respondents: Paul R. Williams, Esq. of Schupbach, Williams & Pavone

CASE INFORMATION

Statement of Claim filed: June 18, 1990.  
Joint Answer of all Respondents filed: October 18, 1990.

Submission Agreements signed on:

Audrey Haber Jassenoff: July 5, 1990.  
Jerome Jassenoff: July 5, 1990.  
Laurie B. Jassenoff: July 5, 1990.  
Shearson Lehman Hutton, Inc.: October 5, 1990.

Leonard S. Altamura and Steven M. Gross did not submit executed Submission Agreements as is required by Section 12 of the NASD's Code of Arbitration Procedure.

HEARING INFORMATION

Hearing Dates/Sessions: September 5, 1991/ 2 sessions;  
September 6, 1991/ 2 sessions;  
September 23, 1991/ 2 sessions.

Hearing Location: Offices of the NASD in New York City, NY.

CASE SUMMARY

Claimants, Audrey Haber Jassenoff ("Mrs. Jassenoff"), Jerome Jassenoff ("Mr. Jassenoff") and Laurie Jassenoff (collectively, "Claimants"), alleged that contrary to their stated investment objectives and moderate financial situation, the Respondents, Shearson Lehman Hutton, Inc. ("Shearson"),

Leonard S. Altamura ("Altamura") and Steven M. Gross ("Gross") (collectively, the Respondents"), made unsuitable recommendations and breached their fiduciary obligations to treat these customers fairly. The Claimants alleged that the Respondents misstated material facts regarding the risk levels of various limited partnerships and thus induced the Claimants to invest substantial amounts of money into speculative, high risk limited partnerships. The Claimants also contended that Shearson did not properly supervise its employees.

Respondents denied the allegations made against them, and contended that the Claimants received full and accurate information regarding their investments, including full disclosure of the mechanics and the risks of these investments. Respondents further alleged that it was the decision of the Claimants, after a review of all the relevant information, to invest in the limited partnerships at issue.

#### RELIEF REQUESTED

Claimants requested compensatory damages of \$257,988.00, plus interest, damages for lost investment income, punitive damages, costs and attorneys' fees. Respondents requested dismissal of all claims made against them, plus costs.

#### AWARD

After considering the pleadings, the briefs, 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. Pursuant to the by-laws of the NASD, the arbitrators determined that Altamura and Gross were required to submit to this arbitration, notwithstanding their failure to execute submission agreements. Therefore, Altamura and Gross are bound by this Panel's rulings and determinations.
2. All claims made against Shearson, Altamura and Gross be and hereby are dismissed in their entirety.
3. The parties each shall bear their respective costs including attorneys' fees.

#### FORUM FEES

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

6 sessions X \$750.00 per session = \$4,500.00.

Forum fees are assessed equally against the Claimants and Shearson. Therefore, the NASD shall retain the \$950.00 previously deposited by the Claimants (\$200.00 of which represents the requisite non-refundable claim filing fee and \$750.00 of which shall be applied toward the forum fees due and owing), and the Claimants be and hereby are jointly and severally liable and shall pay to the NASD the sum of \$1,500.00. In addition, Shearson be and hereby is liable and shall pay to the NASD the sum of \$2,250.

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

Concurring Arbitrators' Signature

\_\_\_\_/s/\_\_\_\_\_  
Harvey Barrison (Public Arbitrator)

\_\_\_\_/s/\_\_\_\_\_  
Barry Koch (Public Arbitrator)

\_\_\_\_/s/\_\_\_\_\_  
Lewis Silver (Public Arbitrator)

Date of Decision: \_\_October 8, 1991\_\_

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Forum fees are assessed equally against the Claimants and Shearson. Therefore, the NASD shall retain the \$950.00 previously deposited by the Claimants (\$200.00 of which represents the requisite non-refundable claim filing fee and \$750.00 of which shall be applied toward the forum fees due and owing), and the Claimants be and hereby are jointly and severally liable and shall pay to the NASD the sum of \$1,500.00. In addition, Shearson be and hereby is liable and shall pay to the NASD the sum of \$2,250.

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

Concurring Arbitrators' Signature

  
Harvey Barrison (Public Arbitrator)

Date: October 2, 1991

State of: New York

County of: New York

ss.:

On the 2nd day, of August, 1991, before me personally appeared Harvey Barrison to me known and known to me to be the person who executed the foregoing instrument, and he acknowledged to me that he executed the same.

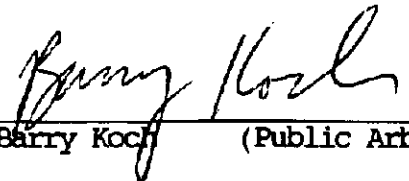
  
Notary Public

LISA M. BLUESTEIN  
Notary Public, State of New York  
No. 4952946  
Qualified In New York County  
Commission Expires July 3, 1993

Forum fees are assessed equally against the Claimants and Shearson. Therefore, the NASD shall retain the \$950.00 previously deposited by the Claimants (\$200.00 of which represents the requisite non-refundable claim filing fee and \$750.00 of which shall be applied toward the forum fees due and owing), and the Claimants be and hereby are jointly and severally liable and shall pay to the NASD the sum of \$1,500.00. In addition, Shearson be and hereby is liable and shall pay to the NASD the sum of \$2,250.

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

Concurring Arbitrators' Signature

  
Barry Koch (Public Arbitrator)

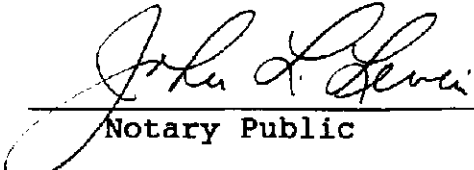
Date: 2 October , 1991

State of: N.Y.

County of: N.Y.

ss.:

On the 2<sup>nd</sup> day, of October, 1991, before me personally appeared Barry Koch to me known and known to me to be the person who executed the foregoing instrument, and he acknowledged to me that he executed the same.

  
Notary Public

JOHN L. LEVIN  
Notary Public, State of New York  
No. 41-4509178  
Qualified in Queens County  
Commission Expires APRIL 30, 1993

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Forum fees are assessed equally against the Claimants and Shearson. Therefore, the NASD shall retain the \$950.00 previously deposited by the Claimants (\$200.00 of which represents the requisite non-refundable claim filing fee and \$750.00 of which shall be applied toward the forum fees due and owing), and the Claimants be and hereby are jointly and severally liable and shall pay to the NASD the sum of \$1,500.00. In addition, Shearson be and hereby is liable and shall pay to the NASD the sum of \$2,250.

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

Concurring Arbitrators' Signature

  
Lewis Silver (Industry Arbitrator)

Date: 5 October , 1991



State of:

County of:

SS.:

On the 4 day, of Oct, 1997, before me personally appeared Lewis Silver to me known and known to me to be the person who executed the foregoing instrument, and he acknowledged to me that he executed the same.

PATRICIA CESTARE  
NOTARY PUBLIC, State of New York  
No. 4828471

Qualified in Nassau County  
Commission Expires April 30, 1998

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Notary Public

*Patricia Cestare*