

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

Mildred J. Buckley :

Claimant :

vs
Shearson Lehman Hutton, Inc. n/k/a
Shearson Lehman Brothers, Inc.
Mr. Federowicz
Thomas Sanderson

Respondents :

FILE #90-01958
ADJ

CASE SUMMARY

Pro-Se Claimant Mildred J. Buckley, in a claim filed with the National Association of Securities Dealers, Inc. on January 16, 1991, alleged that Respondent Shearson Lehman Hutton, Inc. (known as Shearson Lehman Brothers, Inc.) is trustee for her IRA account purchased securities to cash out the Hotel Commodore bonds in an inappropriate shelter for that cash value. She claims that Respondent's income, reversed the transaction without her consent, leaving a debit balance in her IRA account. Respondent also transferred her personal broker account to her IRA account. Respondent also sold warrants on the Integra Warrants, which she contributed to her written account. She was generally negligent in handling her accounts. She alleges that financial consultants, Mr. Federowicz and Thomas Sanderson, were the brokers involved in the transactions in question.

Claimant submitted letters on January 13th and 23rd in support of her claim and issued a Motion to Preclude Respondent's Answer by letter dated January 19, 1991.

Respondents, represented by William A. Hohauser, New York, NY, maintained that Claimant has not sustained any loss in respect to the Brock Hotel bonds whose funds were used to purchase Shearson Select fund, the sale of which resulted in a profit. They continue that Mrs. Buckley authorized the sale of the Integra Warrants by her request to terminate her IRA account and take a lump sum distribution and that Respondents acted at all times in a professional and ethical manner in accord with all regulations.

Respondent Mark Federowicz, Pro Se, in a separate Statement of Answer, maintained that he was constantly in contact with Claimant, tried to explain the complexities of restructuring to her, affirms that the Select Advisors Futures Fund was suitable and appropriate for an IRA, not a "tax shelter" as stated and supports the statement of Answer submitted by Mr. Hohausner.

On July 12th, Respondents provided a response to the Motion to Preclude.

Claimant further amended her Claim on June 27, 1991.

Respondent objected to the material submitted by Claimant on June 27th.

Claimant withdrew the material submitted on June 27th and responded to Respondent's letters of July 3rd and 10th, 1991.

RELIEF REQUESTED

Claimant requests treble damages of Eight Thousand Three Hundred Forty-Seven Dollars and Eighty-Five Cents (\$8,347.85); plus expenses of One Hundred Dollars and No Cents (\$100.00) and reimbursement of the NASD, Inc. Two Hundred Dollars and No Cents (\$200.00).

Respondent requests dismissal of the Claim in full, plus costs and attorney's fees.

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Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Philip Marshall, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on July 13, 1990 and by the Respondent Shearson Lehman Brothers, Inc. on January 21, 1991, by Mark Federowicz on January 16, 1991, but not by Thomas Sanderson as required by Section 13(d) of the Code of Arbitration.

And, that 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. That the Claims of Mildred J. Buckley against Respondents Mark Federowicz and Thomas Sanderson be, and hereby are, dismissed.
2. That Claimant's Motion to Preclude be, and hereby is, denied.

3. That Respondent Shearson Lehman Hutton, Inc. now known as Shearson Lehman Brothers, Inc. is liable and shall pay to the Claimant Mildred J. Buckley, the sum of One Thousand Nine Hundred Dollars and No Cents (\$1,900.00).
4. That Claimant's request for punitive damages be, and hereby is, dismissed.
5. The parties shall bear their respective costs including attorney's fees.
6. The One Hundred Fifty Dollars and No Cents (\$150.00) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. and is assessed against the Respondent, Shearson Lehman Brothers, Inc., who shall pay One Hundred Fifty Dollars and No Cents (\$150.00) to the Claimant, Mildred J. Buckley.

AFFIRMATION

I, Charles J. [illegible], do hereby affirm, upon my oath, that the individuals described herein are the persons who executed the agreement which is subject and award.

[Signature]
Signature of Arbitrator

EXECUTED: August 23, 1991
DATED: August 28, 1991