

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :
: Robert A. Burgess :
: Claimant :
: vs. :
: CASE #90-02223 :
: AWARD :
: Shearson Lehman Hutton, Inc. :
: Respondent :

CASE SUMMARY

Robert A. Burgess, in a claim filed with the National Association of Securities Dealers, Inc. on August 14, 1990, alleged that Respondent made an unauthorized purchase for his account which resulted in a debit balance therein.

Respondent, Shearson Lehman Hutton, Inc, now known as Shearson Lehman Brothers, Inc., maintained that the purchase in question was pre-authorized by Claimant and was in Claimant's best interest.

Claimant replies that the purchase was not pre-authorized and was not an appropriate decision.

Respondent sur-replies that the broker handling Claimant's account was instructed by Mr. Burgess to close out those calls necessary to protect his account; therefore the broker's action should be considered reasonable and prudent. Shearson reasserts its position that Claimant had a duty to immediately raise any objections to transactions as each confirmation and monthly statement was received.

RELIEF REQUESTED

Claimant requests One Thousand One Hundred Eighty-One Dollars and Twenty-Six Cents (\$1,181.26) in damages plus simple interest of Eight Percent (8%) from the date of trade to day of settlement plus costs and Five Hundred Dollars and No Cents (\$500.00) in punitive damages.

Respondent asks dismissal, attorney's fees and costs.

AWARD

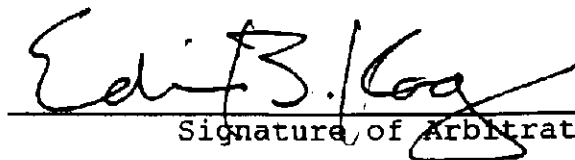
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Edwin B. Kagan, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on August 6, 1990 and by the Respondent on November 23, 1990, respectively;

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 Respondent, Shearson Lehman Hutton, Inc., now known as Shearson Lehman Brothers, Inc., is liable and shall pay to the Claimant the sum of One Thousand One Hundred Eighty-One Dollars and Twenty-Six Cents (\$1,181.26) plus interest at the simple rate of Eight Percent (8%) from October 10, 1989 until the date this award is paid.
2. That Claimant's requests for punitive damages be, and hereby is, denied.
3. The parties shall bear their respective costs including attorney's fees.
4. The Fifty Dollars and No Cents (\$50.00) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant is assessed against the Respondent and payable by the Respondent to the Claimant.

AFFIRMATION

I, EDWIN B. KAGAN, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATED: