

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

Terrehans Communications, Inc. :

Claimant :

vs. :

Pete Lally :

Richard (Don) Mueller :

Smith Barney, Harris Upham Co., Inc. :

Respondents :

CASE #90-02550.
AWARD

CASE SUMMARY

Terrehans Communications, Inc. represented by George J. Kundrat, Esq., Westfield, NJ, in a claim filed with the National Association of Securities Dealers, Inc. on September 12, 1990, alleged unauthorized trading in its customer account. Claimant alleged that an unregistered assistant to Respondent Pete Lally at Smith Barney, Harris Upham Co., Inc. accepted a buy order from an unauthorized person. Claimant states that contrary to their telegraphed instructions, Respondents did not cancel the trade but liquidated the position causing a loss to Claimant. Claimant further alleges that office manager, Don Mueller, failed to properly supervise his personnel.

Respondents, in a joint Statement of Answer, filed by Dennis R. Spirgen, Esq., New York, NY, maintained that Terrehans Communications, Inc., for a period of two months, placed, accepted and paid for orders through a person identifying himself as Charles Payne. Respondents assert that Claimant is now disavowing the only trade on which they suffered a loss.

RELIEF REQUEST

Claimant requests damages of One Thousand Seven Hundred Fifty-Four Dollars and No Cents (\$1,754.00), return of commission charged and interest.

Respondents request dismissal of the claim in its entirety and costs.

AWARD

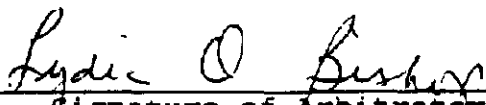
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Lydia O. Bishop, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on August 28, 1990 and by Respondent Pete Lally on November 26, 1990, Don Mueller on March 19, 1991 and Smith Barney, Harris Upham Co., Inc. on November 26, 1990.

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 Claim of Terrehaus Communications, Inc. be, and hereby is, dismissed in its entirety.
2. The parties shall bear their respective costs including attorney's fees.
3. The Fifty Dollars and No Cents (\$50.00) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

I, LYDIA O. BISHOP, 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: 8/20/91