

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant:

Stanley H. Pelter

90-03151

Name of Respondents:

Shearson Lehman Hutton, Inc.  
Mark Jay Rafaloff  
Andrew Rudolph

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REPRESENTATION

For Claimant: Stanley M. Ackert III, Esq. of Blum, Gersen & Stream.

For Respondents: Paul R. Williams, Esq. of Schupbach, Williams & Pavone.

CASE INFORMATION

Claimant filed a Statement of Claim on October 26, 1990 and signed a Submission Agreement on December 18, 1990.

Claimant objected to the late filing of Respondents' Joint Statement of Answer and submitted a written request that it not be accepted.

Respondents filed a Joint Statement of Answer on September 19, 1991.

Respondent Shearson Lehman Hutton signed a Submission Agreement on September 30, 1991. Respondent Mark Jay Rafaloff ("Rafaloff") signed a Submission Agreement on September 30, 1991. Respondent Andrew Rudolph ("Rudolph") signed a Submission Agreement on September 30, 1991.

Respondents submitted a written request that their Joint Statement of Answer be accepted because the late filing did not prejudice the Claimant.

HEARING INFORMATION

Hearing Date/Sessions: September 30, 1991: two (2) sessions.

Hearing Location: New York, New York.

CASE SUMMARY

Claimant alleged that in June of 1989 Respondent Rafaloff solicited him to buy shares of stock in Invitron Corporation and that he did so to his detriment. He further alleged that despite conversations with Respondent Rafaloff regarding the number of shares purchased and the fact that he did not want to open a margin account, Respondent Rafaloff did not take any action to correct the situation. He also alleged that Respondents Shearson Lehman Hutton and Respondent Ruldolph, the administrative manager, failed to supervise Respondent Rafaloff.

Respondents alleged that the documents Claimant received after buying the Invitron stock indicated the number of shares purchased as well as the fact that margin was used to purchase a portion of the shares. They further alleged that Claimant did not complain about either of these matters until more than a year after the transaction in question.

RELIEF REQUESTED

Claimant requested damages of \$18,996.00.

Respondents requested dismissal of the claim.

AWARD

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

1. That Claimant's Request that Respondents' Joint Statement of Answer not be accepted is denied;
2. That Claimant's claims against Respondent Rudolf are dismissed in their entirety;
3. That Respondent Shearson Lehman Hutton and Respondent Rafaloff are liable jointly and severally to the Claimant in the amount of \$15,550.00 inclusive of interest;
4. That each party is to bear its own costs, including attorney's fees;
5. That Respondent Shearson Lehman Hutton's request that the postponement fee be waived for the hearing cancelled on August 20, 1991 is denied; and
6. That the NASD will retain the \$300.00 postponement fee previously paid by Respondent Shearson Lehman Hutton.

FORUM FEES

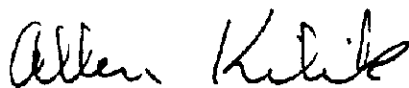
Pursuant to Section 43c of the Code of Arbitration Procedure, forum fees in the amount of \$300.00 are assessed against Respondent Shearson Lehman Hutton. This amount was computed as follows:

2 sessions x \$300/session = \$600.00 - \$300.00 hearing session deposit  
previously paid by Claimant = \$300.00

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

The NASD will retain the \$100.00 nonrefundable claim filing fee previously paid by the Claimant.

Concurring Arbitrator's Signature:



Allen Kilik, Esq.  
Public Arbitrator/Chairperson

Date of Decision: October 9, 1991