

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant:

Sophia Zubareva

90-03368

Name of Respondents:

Shearson Lehman Hutton, Inc.  
David D. Hepworth

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REPRESENTATION

For Claimant: David L. Kagel, Esq. of Kagel & Steiner.

For Respondent Shearson Lehman Hutton: David M. Bartholomew, Esq. of  
Keesal, Young & Logan.

Respondent David D. Hepworth did not have an attorney of record.

CASE INFORMATION

Claimant filed a Statement of Claim on February 6, 1991 and executed a submission agreement on January 3, 1991.

Respondent Shearson Lehman Hutton, Inc. ("Shearson") filed a Statement of Answer on April 17, 1991 and executed a Submission Agreement on July 3, 1991.

Respondent David Hepworth ("Hepworth") did not sign a Submission Agreement as required pursuant to Section 8 of the Code of Arbitration Procedure but filed a Statement of Answer on May 1, 1991.

Claimant submitted a supplemental declaration and exhibits on August 15, 1991 and Respondent Shearson submitted a supplemental declaration and exhibits on August 15, 1991, which included a declaration by David Hepworth.

CASE SUMMARY

Claimant alleged that when she transferred her account with Respondent Hepworth to Shearson, she indicated that she wanted the most conservative and secure investments possible. She further alleged that contrary to her investment objectives and without her authorization, Respondent Hepworth engaged in excessive and unsuitable trading in various stocks and that Respondent Shearson failed to supervise Respondent Hepworth's activities.

Respondent Shearson alleged that it had committed no wrongdoing and that while the Claimant's account was at the firm, Claimant had made a profit. Respondent Shearson further alleged that Claimant discussed each trade with Respondent Hepworth before the trade was entered and that she did not complain to either Respondent while her account was at Shearson.

Respondent Hepworth joined in Respondent Shearson's Answer.

RELIEF REQUESTED

Claimant requested damages of \$7,719.00.

Respondent Shearson requested that the case be dismissed and that it be awarded costs.

Respondent Hepworth requested that the case be dismissed and that he be awarded costs.

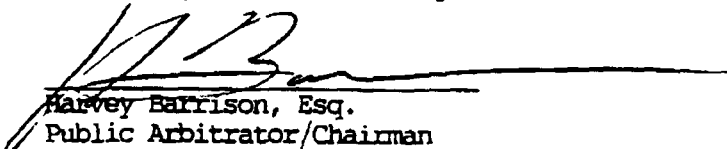
AWARD

After considering the pleadings and the supplemental declarations and exhibits, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Prior to the first scheduled hearing date, Claimant's Motion to transfer situs to California was denied;
2. Prior to the first scheduled hearing date, Claimant's Motion to have this case decided on the papers in lieu of a hearing was granted;
3. All claims against Respondent Shearson Lehman Hutton and Respondent David Hepworth are denied in their entirety; and
4. The parties shall each bear their respective costs, including attorneys' fees.

The NASD shall retain Claimant's \$100.00 nonrefundable claim filing fee.

Concurring Arbitrator's Signature:

  
Harvey Barrison, Esq.  
Public Arbitrator/Chairman

Date of Decision: September 16, 1991

DATED BY NASD: September 18, 1991