

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between:

James L. & Dorothy L. Sparkman

Claimants

vs.

Shearson Lehman Brothers Inc.,

Respondent

Case #91-00068
Award

CASE SUMMARY

In a claim filed with National Association of Securities Dealers, Inc. on January 4, 1992, James L. and Dorothy L. Sparkman who appeared Pro Se, alleged that Respondent Shearson Lehman Brothers Inc. failed to follow explicit buy and sell orders regarding their investment of CTR 2 Heat Oil New York and New York Unleaded Gas futures and neglected to close a spread, causing a loss to the Claimants. The Claimants further alleged that Respondent Shearson Lehman Brothers Inc., failed to notify them of a margin increase prior to the purchase which made it impossible to cover the spread decrease and that they should be compensated for their losses.

Respondent, Shearson Lehman Brothers Inc., through its in-house counsel William A. Hohauser, Esq., maintained that it's broker Bud Sanders, followed the Claimant's instructions, and that the position was closed when the Claimants would not agree to meet the margin call. Although this caused a loss, the Respondents maintained they hold no liability. The Respondents further maintained that the margin requirement itself does not cause a loss, therefore the Claimants' claim is incorrect.

RELIEF REQUESTED

Claimants, James L. & Dorothy L. Sparkman requested \$3123.80 in actual damages.

Respondent Shearson Lehman Brothers Inc., requested the claims of the Claimants be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Laurie J. Butler, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on December 28, 1990 and by the Respondent on November 15, 1991.

And, 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. The claims of the Claimants James L. & Dorothy L. Sparkman against Respondent Shearson Lehman Brothers, Inc. are dismissed in their entirety.
2. The parties shall bear their respective costs and attorneys fees.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants James L. & Dorothy L. Sparkman shall be retained by the National Association of Securities Dealers, Inc.

AFFIRMATION

I, Laurie J. Butler, 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

DATE OF DECISION: July 28, 1992