



Arbitration

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, N.Y. 10004
FAX (212) 858-4389

In the Matter of the Arbitration Between

Name of Claimant

Theresa R. Gregorich

91-00267

Name of Respondents

Shearson Lehman Brothers, Inc.
Donna M. Bloom

REPRESENTATION

For Claimant Theresa R. Gregorich ("Claimant"): George L. McGaughey, of McDonald, Hopkins et al.

For Respondent Shearson Lehman Brothers, Inc. ("Shearson"): Robert N. Rapp, of Calfee, Halter et al.

For Respondent Donna M. Bloom ("Bloom"): Sander Schwartz, a sole practitioner.

CASE INFORMATION

Statement of Claim filed: the Statement of Claim, was not dated; however, it was received by the NASD on January 23, 1991.

Claimant's Submission Agreement signed on: January 14, 1991.

Statement of Answer filed by Respondent Shearson on: June 21, 1991.

Respondent Shearson's Submission Agreement signed on: June 19, 1991.

Statement of Answer filed by Respondent Bloom on: June 20, 1991.

Respondent Bloom's Submission Agreement signed on: June 20, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: January 21, 1992/2 sessions

January 22, 1992/3 sessions.

Hearing Location: NASD, Cleveland, OH.

CASE SUMMARY

Claimant alleged Bloom churned her account; did not disclose transaction costs prior to carrying out trades; purchased securities on margin without authorization; defrauded Claimant; and recommended unsuitable investments.

Respondent Shearson alleged Bloom's recommendations were appropriate; the

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annual turnover rate for the period in question was consistent and did not represent excessive activity in the account; there were no unauthorized margin transactions; and that Bloom did not commit any fraudulent actions.

Respondent Bloom alleged Bloom's recommendations were appropriate; the account was not churned; there were no unauthorized margin transactions; and did not commit any fraudulent actions.

RELIEF REQUESTED

Claimant requested: actual damages in the amount of \$352,000.00, jointly and severally, against Respondents (inclusive of punitive damages; attorneys' fees; costs and expenses).

Respondent Shearson requested: the claim be denied in its entirety; forum fees and costs; and attorneys' fees in the amount of \$7,500.00.

Respondent Bloom requested: the claim be denied in its entirety; forum fees and costs; and attorneys' fees in the amount of \$7,500.00.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

AWARD

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

- 1- Claimant's claim against Respondent Bloom is dismissed;
- 2- Respondent Shearson is liable and shall pay to Claimant the sum of THIRTY THREE THOUSAND 00/100 DOLLARS (\$33,000.00);
- 3- All other claims are dismissed;
- 4- Each party shall bear its own costs, including attorneys' fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the NASD shall retain the \$200.00 non-refundable filing fee and the following Forum Fees are assessed.

ARBITR

#91-00267

5 sessions X \$750.00 = \$3,750.00

For the Session Against

1- Claimant in the amount of \$1,250.00, however, Claimant shall
\$750.00, having session deposits previously deposited to offset part of
fee, therefore, the amount due and owing equals \$500.00;

2- Respondent Shearson in the amount of \$1,250.00;

3- Respondent Bloom in the amount of \$1,250.00.

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

Concurring Arbitrators' Signatures


Joseph W. Grossman/Public Arbitrator

Date: February 13, 1992

AWARD

#91-00267

5 sessions X \$750.00 = \$3,750.00

Forum fees Assessed Against:

- 1- Claimant in the amount of \$1,250.00; however, Claimant shall use her \$750.00 hearing session deposit previously deposited to offset part of this fee, therefore, the amount due and owing equals \$500.00;
- 2- Respondent Shearson in the amount of \$1,250.00;
- 3- Respondent Bloom in the amount of \$1,250.00.

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

Concurring Arbitrators' Signatures


Charles H. Joseph/Industry Arbitrator

Date: February 13, 1992

AWARD
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5 sessions X \$750.00 = \$3,750.00

Forum fees Assessed Against:

- 1- Claimant in the amount of \$1,250.00; however, Claimant shall use the \$750.00 hearing session deposit previously deposited to offset part of this fee, therefore, the amount due and owing equals \$500.00;
- 2- Respondent Shearson in the amount of \$1,250.00;
- 3- Respondent Bloom in the amount of \$1,250.00.

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

Concurring Arbitrators' Signatures

Dennis E. Minni

Dennis E. Minni/Public Arbitrator

Date: February 13, 1992