

N.A.S.D. AWARD -

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Helene E. Paul

91-00668

Name of Respondents

Shearson Lehman Hutton, Inc.
Lawrence J. Debord

REPRESENTATION OF PARTIES

Helene E. Paul was represented by Robt. D. Montgomery, Esq., Robt. D. Montgomery & Associates, P.A. Albuquerque, NM.

Shearson Lehman Brothers, Inc. and Lawrence J. Debord were represented by Joseph S. Schuchert, Esq., Keesal, Young & Logan, Long Beach, CA.

CASE SUMMARY

In a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about February 28, 1991, Helene E. Paul ("Claimant") alleged that Lawrence J. Debord and Shearson Lehman Brothers, Inc. (collectively as "Respondents") purchased securities which were high risk and unsuitable for Claimant's account; that Shearson Lehman Brothers, Inc. failed to supervise its employees and agents; that Respondents breached their fiduciary duty to Claimant; that Respondents executed unauthorized trades which were excessive in light of Claimant's investment objectives and financial situation. Specifically, Claimant alleged that Respondents purchased units of Silver Screen Partners IV, units of Scottsdale Land Trust Limited Partnership, units of Shearson Lehman Hutton 13M High Yield Taxable Fund; Washington Mutual Investors Fund; and Municipal Investors Trust in addition to selling Claimant's Nuveen Municipal Bond Fund.

In their joint Answer filed with the NASD on or about May 7, 1991, Respondent denied the allegations set forth in the Statement of Claim. Respondents specifically stated that the purchases and sales were fully discussed with the Claimant and made at the Claimant's express direction and in accordance with the Claimant's investment objectives. Respondents further stated that the Claimant monitored her investment closely and was aware of the market value of as well as the income generated from her account.

RELIEF REQUESTED

Claimant requested an award in the amount of \$66,788.62, plus interest, punitive damages, costs and attorney's fees.

Respondent requested that the Statement of Claim be dismissed and that they be awarded their costs.

PROCEDURAL MATTERS

On Friday, September 20, 1991 in Albuquerque, New Mexico during a hearing lasting a total of three (3) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on February 22, 1991 by Claimant Helene E. Paul.

Respondents Shearson Lehman Brothers, Inc. and Lawrence J. Debord did not file with the NASD a properly executed submission to arbitration but are required to submit to arbitration pursuant to Section 12 of the NASD Code of Arbitration Procedure and having answered the claim, appeared and testified at the hearing are bound by the determination of the arbitration panel on all issues submitted.

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 original(s) remain on file with the NASD.

AWARD

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing and the post-hearing submissions of the parties, has decided in full and final resolution of the issues submitted for determination as follows:

1. The Statement of Claim shall be and hereby is dismissed and denied in its entirety;

2. Each party shall bear its own costs, expenses and attorney's fees incurred to this matter not specifically enumerated herein; and

3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the nonrefundable filing fee in the amount of \$150.00 and shall retain the hearing session deposit in the amount of \$500.00 previously deposited with the NASD by the Claimant Helene E. Paul. Claimant shall pay to the NASD the sum of \$250.00 and Respondent Shearson Lehman Brothers, Inc. shall pay to the NASD the sum of ~~\$500.00~~ as forum fees.

\$ 750.00 TS

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

DATED:

Thomas Snidt, II, Esq.
Presiding Chair

Alison K. Schuler, Esq.
Public Arbitrator

10/2/91

Bernard E. Brummel
Industry Arbitrator

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

DATED:

10/7/91

Thomas Smidt, II, Esq.
Presiding Chair



Alison K. Schuler, Esq.
Public Arbitrator

Bernard E. Brummel
Industry Arbitrator

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

DATED:

Thomas Smidt

Thomas Smidt, II, Esq.
Presiding Chair

Alison K. Schuler, Esq.
Public Arbitrator

Bernard E. Brummel
Industry Arbitrator

Date Served by NASD 11.13.91