

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant:

Patricia A. Rodgers

91-00858

Name of Respondent:

Shearson Lehman Hutton, Inc.

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REPRESENTATION

For Claimant: Vicki Kuftic Horne, Esq. of Schuchert Sheerer, P.C.

For Respondent: Foster S. Goldman, Esq. of Klett, Lieber, Rooney & Schorling.

CASE INFORMATION

Claimant filed a Statement of Claim on March 15, 1991 and executed a submission agreement on March 12, 1991.

Respondent filed a Statement of Answer on May 15, 1991 and executed a submission agreement on May 5, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: September 5, 1991 - two sessions  
September 6, 1991 - two sessions

Hearing Location: Pittsburgh, Pennsylvania

CASE SUMMARY

Claimant alleged that she was an unsophisticated investor who sought investments that produced income with minimal risk. She alleged that she relied on Respondent and Respondent's brokers, who did not act in good faith and misrepresented investments concerning high yield corporate bonds to her and made unsuitable recommendations. She further alleged that at the end of a thirty month period, her account was worth less than half of its original value.

Respondent alleged that Claimant received confirmation slips of all transactions and monthly statements, to which she voiced no objections. Respondent further alleged that all risks were properly disclosed to her, and that Claimant stressed to Respondent the need for current income over safety of her principal.

RELIEF REQUESTED

Claimant requested compensatory damages of \$81,413.63 and punitive damages in an unspecified amount.

Respondent requested dismissal of the claim and costs to be assessed against the claimant.

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. That Respondent's Motions to Dismiss are denied;
2. That the Respondent is liable and shall pay to the Claimant \$75,404.37 plus interest at the rate of 6% from October 1, 1990 to the date of payment of the award;
3. That each side is to bear its own costs, including attorney's fees.

FORUM FEES


Pursuant to Section 43c of the Code of Arbitration Procedure, Forum Fees of \$1500.00 are assessed. This amount was computed as follows:

\$500.00/session x 4 sessions = \$500.00 hearing session deposit  
paid by Claimant = \$1500.00

Respondent is directed to pay the NASD \$1500.00 and to pay Claimant \$500.00 to reimburse her for the hearing session deposit she previously paid to the NASD.

The NASD will retain Claimant's \$150.00 non refundable claim filing fee.

Concurring Arbitrator's Signature:

  
Dennis R. Shannon  
Industry Arbitrator

DATED: October 4, 1991

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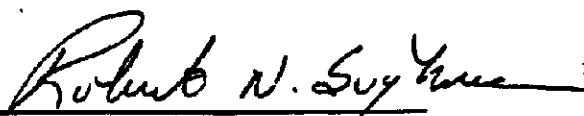
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Concurring Arbitrator's Signature:

  
Robert N. Sughrue  
Public Arbitrator

DATED: October 4, 1991

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Concurring Arbitrator's Signature:

A. Ralph Ellis  
A. Ralph Ellis, Esq.  
Public Arbitrator/Chairperson

DATED: October 4, 1991