

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, New York 10004

In the Matter of the Arbitration BetweenName of Claimant

Peter S. Rosenberg

vs.

Case #
91-00998Name of Respondent

Shearson Lehman Hutton, Inc.
Smith Barney Harris Upham & Co., Inc.
Jeremiah J. Regan

REPRESENTATION

For Claimant: Ieuan G. Mahony, Esq. of Sherburne, Powers & Needham.

For Respondent, Smith Barney, Harris Upham & Co., Inc.: Hugh McGovern, Esq.
in-house counsel.For Respondent, Shearson Lehman Brothers, Inc.: Robert A. Buhlman, Esq. of
Bingham Dana & Gould.

For Respondent, Jeremiah J. Regan: Pro se.

CASE INFORMATION

Statement of Claim filed: April 01, 1991.

Claimant signed Submission Agreement on: March 29, 1991.

Smith Barney, Harris Upham & Co., Inc.'s Statement of Answer filed on: May
28, 1991.

Respondent's Submission Agreement signed on: May 24, 1991.

Shearson Lehman Brothers, Inc.'s Statement of Answer and Counterclaim filed
on: June 17, 1991.

Respondent signed Submission Agreement on: June 14, 1991.

Jeremiah J. Regan's Statement of Answer to Statement of Claim and Shearson
Lehman Brothers, Inc.'s Counterclaim filed: May 30, 1991.

Respondent signed Submission Agreement on: May 28, 1991.

HEARING INFORMATION

Hearing Date/Hearing Sessions: October 17, 1991 - Two Sessions.

Hearing Location: Boston, Massachusetts.

CASE SUMMARY

Claimant alleges that Respondents engaged in wrongful conduct such as: (1) excessive trading for the primary purpose of generating substantial commissions; (2) unauthorized trading without obtaining formal discretionary authority; (3) numerous unsuitable trades which were inconsistent with Claimant's known investment objectives; and (4) misrepresentation and failing to disclose material facts to Claimant. Claimant alleges that both Smith Barney and Shearson failed to exercise reasonable care in hiring and supervising of Regan. Claimant further alleges various common law violations, federal and state securities law violations as well as violations of New York Stock Exchange and NASD rules.

Respondent, Shearson, contends that the only transaction in Claimant's account while Regan was with Shearson was the trade of Summit Technologies stock. Said Respondent denies the allegation of unauthorized trades and asserted a Cross Claim against Regan for indemnification under the theory that if Regan made an unauthorized trades, he did so outside the scope of his employment.

Respondent, Regan, denies the allegations of wrongdoing and denies liability both on the Claim and the Cross Claim. He alleges that Claimant did not object to the way in which his account was managed.

RELIEF REQUESTED

Claimant requests and award of \$35,566.92 jointly and severally against Smith Barney and Regan for the time period that Regan worked at Smith Barney, \$41,856.03 jointly and severally against Shearson and Regan for the time period that Regan worked at Shearson, in addition to punitive damages, costs, expenses and disbursement including reasonable attorney's fees.

Respondent, Shearson, requests that the Statement of Claim be dismissed in its entirety. Shearson also requested that should the Panel find it liable to Claimant, then the Panel should award Shearson judgment on its Cross Claim against Regan.

Respondent, Regan, requests that the Panel dismiss all claims asserted against him.

OTHER ISSUES

Prior to the commencement of the hearing, Claimant settled his claims with Smith Barney. On October 17, 1991, Claimant also settled his claims against Shearson. On the day of the hearing, Claimant advised the panel that he settled his claims with Regan. The only claims that remained before this Panel was Shearson's Cross Claim against Regan, which was limited to the amount Shearson paid, \$32,000, Claimant in order to settle the claim.

AWARD

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

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award 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.

1. Respondent, Jeremiah J. Regan, is hereby liable Shearson Lehman Brothers, Inc. in the amount of Twenty Five Thousand Dollars and Zero Cent (\$25,000.00);

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed and any fees previously paid shall be applied to the fees assessed.

1. The NASD has received and shall retain the \$800.00 previously paid by the Claimant;

2. Claimant is assessed \$200.00 non-refundable filing fee;

3. Claimant is further assessed \$750.00 hearing session deposit pursuant to Section 43(g);

4. Therefore, Claimant shall remit to the NASD \$150.00;

5. Respondent, Shearson, assessed \$500.00 non-refundable filing fee for its Cross Claim;

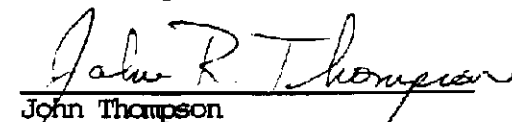
6. Shearson and Regan are each assessed \$600.00 in forum fees for two hearing sessions at \$600.00 per session (2 Sessions x \$600.00 = \$1200.00 divided between both Respondents).

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

ARBITRATION PANEL

Paul W. Fager, Esq.	-	Chairperson/Public
John Thompson	-	Public
Dallas W. Coffman	-	Industry

Concurring Arbitrator's Signature


John Thompson

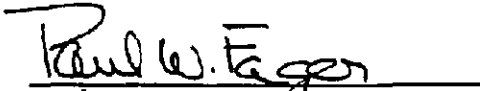
Date of Decision:

Dated by the NASD: October 29, 1991

ARBITRATION PANEL

Paul W. Fager, Esq.	-	Chairperson/Public
John Thompson	-	Public
Dallas W. Coffman	-	Industry

Concurring Arbitrator's Signature


Paul W. Fager, Esq.


Date of Decision

Dated by the NASD: October 29, 1991

ARBITRATION PANEL

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John Thompson	-	Public
Dallas W. Coffman	-	Industry

Concurring Arbitrator's Signature


Dallas W. Coffman

Date of Decision:

Dated by the NASD: October 29, 1991