

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 Claimants

Shearson Lehman Hutton, Inc.

91-01440

Name of Respondent

Herbert Lake

REPRESENTATION

For Claimant Shearson Lehman Hutton, Inc. ("Claimant"): Mark J. Alonso, a sole practitioner.

For Respondent Herbert Lake ("Lake"): Mr. Lake represented himself.

CASE INFORMATION

Statement of Claim filed: February 22, 1991.
Claimant's Submission Agreement signed on: March 1, 1991.

Statement of Answer filed by Respondent on: August 9, 1991.
Respondent's Submission Agreement signed on: August 9, 1991.

HEARING INFORMATION

Hearing Date/Sessions: April 30, 1992/2 sessions.
Hearing Location: NASD, Inc., New York City, NY.

CASE SUMMARY

Claimant alleged Lake opened an account with it which provided that it would act as stockbroker for Lake in connection with various securities purchases and sales and Lake would compensate Claimant for said transactions at its usual rate. Claimant alleged Lake refused to pay on a timely basis for certain securities he ordered while with Claimant. Claimant alleged it liquidated Lake's account resulting in a debit balance of \$11,298.07. Claimant alleged Lake sent a cheque to it in payment of securities purchased at the request of Lake; however, Claimant was advised by First Federal Bank, N.A. that Lake's cheque was returned for insufficient funds.

Respondent alleged he purchased 2,000 shares of General Electric ("GE") at the suggestion of Scott Martone ("Martone"), a broker with Claimant. Lake

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alleged the stock kept falling and he and Martone discussed selling the stock if it reached the original purchase price. Lake maintained that the stock rallied, and that on the following day he called Martone to sell the stock. As Martone was not available, George Politos ("Politos") was given the order to sell the shares of GE at the market price of 50 3/4. Lake asserted Politos repeated and acknowledged the order; however, when Lake phoned Politos later to get the sale price he learned Politos did not execute the order stating Lake had not paid for the original purchase. Lake stated that the next morning Martone confirmed Politos' refusal to execute the order. Lake asserted he spoke with two (2) other brokerage firms and determined that Politos' actions were negligent. Lake maintained he informed Martone he would hold Shearson liable and he would try to stop payment of the cheque sent to him.

RELIEF REQUESTED

Claimant requested: actual damages in the amount of \$11,298.07, plus interest from November 25, 1987; costs; fees and disbursements; and attorneys' fees.

Respondent requested: dismissal of Claimant's claim.

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- Respondent is liable and shall pay to Claimant the sum of \$11,298.07, plus interest at the rate of nine (9%) percent from November 25, 1987 through the date of payment of this award;
- 2- All other claims are dismissed;
- 3- Each party shall bear its own expenses, including attorneys' fees.

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FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$500.00 non-refundable filing fee previously deposited by Claimant and the following Forum Fees are assessed.

2 sessions X \$600.00 = \$1,200.00 minus hearing session deposit of \$600.00 = net \$600.00 due.

Forum fees Assessed Against:

1- Claimant, in the amount of \$1,200.00. The NASD shall retain Claimant's \$600.00 hearing session deposit, therefore, the amount due and owing equals \$600.00.

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

Concurring Arbitrators' Signatures


Allen Kilik/Public Arbitrator

Date of Decision: June 8, 1992

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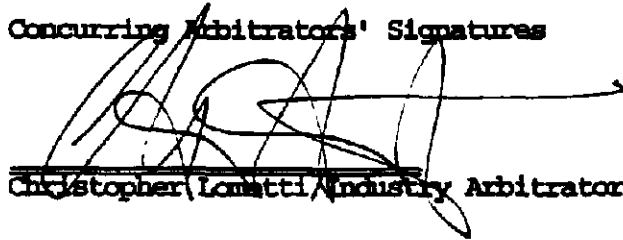
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Concurring Arbitrators' Signatures

A handwritten signature in dark ink, appearing to read 'Christopher Lonetti', is written over a horizontal line.

Christopher Lonetti Industry Arbitrator

Date of Decision: June 8, 1992

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A handwritten signature in dark ink, appearing to read "David S. Billet", written over a horizontal line.

David S. Billet/Public Arbitrator

Date of Decision: June 8, 1992