

9205153

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Suzanne Charney

vs.

NASD #91-02007

Name of Respondents

Shearson Lehman Brothers, Inc.

Ron Mason

Tom Manchester

REPRESENTATION

For Claimant: John Lawrence Allen, Esq., Carlsbad, California

For Respondents: Timothy N. Will, Esq., Keesal, Young & Logan, Long Beach, California.

CASE INFORMATION

Statement of Claim filed: June 27, 1991

Claimant's Submission Agreement signed on: June 21, 1991

Joint Statement of Answer filed by Respondents on: August 27, 1991

Respondents' Submission Agreements signed:

Shearson Lehman Brothers: August 26, 1991

Ron Mason: August 26, 1991

Tom Manchester: October 15, 1991

HEARING INFORMATION

Hearing Date/Sessions: April 14, 1992 - (2 sessions)

April 15, 1992 - (2 sessions)

April 16, 1992 - (2 sessions)

April 20, 1992 - (2 sessions)

Hearing Location: Los Angeles, California

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CASE SUMMARY

Claimant alleged breach of fiduciary duty, breach of contract, fraud, negligent and intentional misrepresentation, unsuitable investment recommendations, and failure to supervise with respect to Claimant's investments in common stock, bonds and limited partnerships which did not meet the conservative investment objectives enunciated by Claimant. Claimant also alleged that many investments were purchased on margin, which was inappropriate for Claimant.

Respondents denied all allegations of wrong-doing, and asserted that all investments were made with the express approval of Claimant, who utilized the services of her own outside financial advisor to comment on investment recommendations made by Respondent Mason. Respondents also asserted that much of the loss sustained by Claimant was a result of the October 1987 market crash.

RELIEF REQUESTED

Claimant requested damages of approximately \$103,515, plus commissions paid, punitive damages, damages for loss of use of invested capital, costs of arbitration and attorney's fees.

Respondents requested dismissal of all claims.

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.

The motion to dismiss made by Shearson Lehman Brothers was denied by the panel at hearing.

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. All claims asserted against Tom Manchester are dismissed.
2. Respondents Shearson Lehman Brothers and Ron Mason are jointly and severally liable for and shall pay to Claimant the sum of \$61,680 in satisfaction of all claims.
3. The claim for punitive damages is dismissed.

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4. The parties shall each bear their respective costs including attorney's fees.

OTHER COSTS

None.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed:

Claimant = 4 session @ \$750/session	= \$3,000.00
credit for \$750 previously deposited	= \$ 750.00
Balance due	\$2,250.00

Respondents Shearson Lehman and Mason (jointly and severally)	
4 sessions @\$750/session	= \$ 3,000.00

All fees are payable to the NASD, Inc.

ARBITRATION PANEL

Public/Industry

Public Arbitrator

Public Arbitrator

h.D.

Industry Arbitrator

Concurring Arbitrators' Signature


Norman R. Cohen

Served May 12, 1992

Date of Decision:

April 27, 1992

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4. The parties shall each bear their respective costs including attorney's fees.

OTHER COSTS

None.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed:

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credit for \$750 previously deposited = \$ 750.00
Balance due \$2,250.00

Respondents Shearson Lehman and
Mason (jointly and severally)
4 sessions @ \$750/session = \$ 3,000.00

All fees are payable to the NASD, Inc.

ARBITRATION PANEL

<u>Name</u>	<u>Public/Industry</u>
Norman R. Cohen	Public Arbitrator
Michael Strieby	Public Arbitrator
Carroll R. Melton, Ph.D.	Industry Arbitrator

Concurring Arbitrators' Signature

Norman R. Cohen

Michael Strieby

Carroll R. Melton, Ph.D.

Served May 12, 1992

Date of Decision: 27 April 1992

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OTHER COSTS

None.

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ARBITRATION PANEL

Name

Public/Industry

Public Arbitrator

Public Arbitrator

Industry Arbitrator


 Michael Strieby

Served May 12, 1992

Date of Decision: April 27, 1992