

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

Lampros Mastrokalos

91-02021

Name of Respondents

Shearson Lehman Brothers, Inc.

Henry Senger, Jr.

Henry Senger

Alan Garber

REPRESENTATION

For Claimant: Edward A. Zahos, Esq. of the law firm of Joseph S. Di Maria, Esq.

For Respondents: Harry T. Walters, Esq.

CASE INFORMATION

Statement of Claim filed on: June 28, 1991.

Claimant's Submission Agreement signed on: April 11, 1991.

Joint Statement of Answer filed by Respondents on: October 3, 1991.

Respondent Shearson Lehman Brothers, Inc.'s ("Shearson") Submission Agreement signed on: October 2, 1991.

Respondent Henry Senger, Jr.'s ("Senger, Jr.") Submission Agreement signed on: February 10, 1992.

Respondent Henry Senger's ("Senger") Submission Agreement signed on: February 10, 1992.

Respondent Alan Garber's ("Garber") Submission Agreement signed on: February 10, 1992.

HEARING INFORMATION

Hearing Dates/Sessions: February 10, 1992, 2 Sessions.
February 11, 1992, 2 Sessions.
February 25, 1992, 1 Session.

Hearing Location: NASD offices located in New York City, NY.

CASE SUMMARY

Claimant alleged that the margin trading engaged in by the Respondents was entirely unsuitable for him; that Respondents recommended that Claimant open an options account and engaged in uncovered writing which was unsuitable for Claimant without insuring the Claimant understood the risks inherent in such speculation and without explaining the "Options Requirement". Claimant further alleged Respondents Shearson and Garber failed to supervise Claimant's account and ratified or approved of the brokers' actions. Claimant further alleged he is entitled to RICO damages due to the pattern of racketeering activities engaged in by Respondents.

Respondents maintained at all times the Claimant controlled the trading in his account and unforeseen market conditions - not any culpable conduct by Respondents - occasioned Claimant's losses. Respondents further maintained by the time Claimant sustained the losses at issue he had been trading options for eleven years and had an intimate working knowledge of the risks, requirements and mechanics of options trading. Respondents further maintained the investing in Claimant's account was not unsuitable in light of Claimant's stated investment objectives, his trading experience, his assets and income, his understanding of his investments and his desire to invest. Respondents further maintained Respondent Garber frequently asked Claimant whether he was satisfied with the performance of his account and the level of service he received and he never expressed any dissatisfaction and Respondents further alleged the Statement of Claim does not adequately plead the necessary elements of a RICO claim.

RELIEF REQUESTED

Claimant requested damages of \$594,984.18, plus interest, costs and attorney's fees and civil RICO damages in the amount of three times the Claimant's loss.

Respondents requested dismissal of all claims against them and that they be awarded their costs and attorney's fees as well as such other and further relief as the arbitrators deem to be just and proper.

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 by the Claimant be and hereby are dismissed in all respects;
2. The Claimant's claim for punitive damages is denied;
3. The Claimant's claim for RICO damages is denied; and
4. Each party shall bear their respective costs, including attorneys' fees.

FORUM FEES


Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

\$1,000.00 X 5 Sessions = \$5,000.00 minus hearing session
deposit of \$1,000.00 = net \$4,000.00 due.

The Respondents Shearson, Senger, Jr., Senger and Garber be and hereby are liable jointly and severally and shall pay to the NASD the sum of \$4,000.00 to represent forum fees.

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

CONCURRING ARBITRATORS' SIGNATURES


Allen Kilik, Esq.

Public Arbitrator


Harry Weiss

Public Arbitrator


Domenick L. Natale, Esq.

Industry Arbitrator

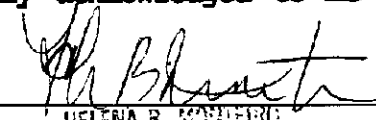
Date of Decision: March 10, 1992

STATE: NEW JERSEY

SS:

COUNTY OF: ESSEX

On this 28th day of February, 1992, before me personally appeared Allen Kilik known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same


 2/28/92
HELENA B. MONTEIRO
NOTARY PUBLIC, State of New Jersey
MY COMMISSION EXPIRES MAY 3, 1993

STATE: NY

SS:

COUNTY OF: NY

On this 5th day of March, 1992, before me personally appeared Harry Weiss known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same

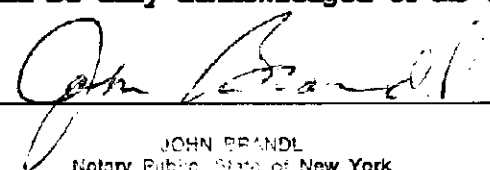

JILL A. WILE
NOTARY PUBLIC, State of New York
No. 4576915
Qualified in Nassau County
Commission Expires Dec. 15, 1992

STATE: NEW YORK

SS:

COUNTY OF: New York

On this 2nd day of March, 1992, before me personally appeared Dominick L. Natale known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same


JOHN BRANDL
Notary Public, State of New York
No. 11124620
Qualified in Queens County
Commission Expires March 30, 1992