

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****Adrienne and Michael Miller****91-02043****Name of Respondents**

Shearson Lehman Brothers, Inc.
William Burke
William Gray

REPRESENTATION

Claimants Adrienne and Michael Miller ("Claimants") were represented by Michael Fordney, Esq. of Fordney, Cady, Mastromarco & Jahn, P.C.

Respondents Shearson Lehman Brothers, Inc., William Burke and William Gray ("Respondents") were represented by Gary Saretsky, Esq. and Miles Hart, Esq. of Hertz Schram & Saretsky.

CASE INFORMATION

Statement of Claim filed on: June 28, 1991.

Claimants' Submission Agreement signed on: June 25, 1991.

Joint Statement of Answer filed by Respondents on: September 10, 1991.

Amended Joint Statement of Answer filed on: October 7, 1991.

Respondent Shearson Lehman Brothers Inc.'s ("Shearson") Submission Agreement signed on: October 7, 1991.

Respondent William Burke's ("Burke") Submission Agreement signed on: August 14, 1991.

Respondent William Gray's ("Gray") Submission Agreement signed on: August 14, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: April 7, 1992, 2 sessions.
April 8, 1992, 2 sessions.

Hearing Location: Embassy Suites, Southfield, Michigan

CASE SUMMARY

Claimants alleged that recommendation to purchase Detroit Macomb Hospital Corporation Bond Series 1986A (the "Bonds") face value \$100,000 at a price of \$90,548.00 6.9% return with a maturity date of June 1, 1996 was unsuitable and that the sale of the Bonds involved misrepresentation because the Bonds were not at all times "liquid". Claimants alleged that the Bonds did not meet with their stated investment objectives. Claimants alleged that Shearson failed to properly supervise its agents Burke and Gray as well as the Claimant's account. Claimants alleged that the Respondents withheld material information. Claimants alleged that Respondents negligently and fraudulently made misrepresentations to Claimants and that Respondents knew that Claimants would rely on these misrepresentations. Claimants alleged that Respondents failed to make sound investments. Claimants alleged that Respondents breached their fiduciary relationship that they owed Claimants.

Respondents denied each and every allegation asserted by the Claimants and contend that Claimants knew and understood the nature of the transaction. Respondents maintained that the Claimants were sophisticated investors. Respondents maintained that the Bonds were suitable for the Claimants' account, that all material information was disclosed and that no misrepresentations were made. Respondents maintained that they fulfilled all their legal obligations owed to the Claimants.

RELIEF REQUESTED

Claimants requested compensatory damages of \$15,849.00 plus statutory interest. Claimants also requested punitive damages of \$250,000.00.

Respondents requested that Claimants' claims be denied in their entirety.

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. That the Claimants' claims are denied in their entirety.
2. Claimants' claim for punitive damages is denied in its entirety.

3. That the respective parties shall bear their own costs, including attorneys' fees.

FORUM FEES

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

Forum fees assessed against the Claimants only.

Four sessions were conducted at a cost of \$400.00 per session so that \$1600.00 is due from Claimants. Claimants are entitled to offset this amount with their \$400.00 hearing session deposit, so that the amount due from the Claimants is \$1200.00.

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

Concurring Arbitrators' Signatures:

Name

Public/Industry

4-20-92 Carole M. Crosby
Carole M. Crosby, Esq./Chairperson

Public Arbitrator

Date of Decision: April 28th, 1992

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Concurring Arbitrators' Signatures:

Name

Public/Industry


Joseph E. Brom

Public Arbitrator

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Concurring Arbitrators' Signatures:

Name

Public/Industry


Gary E. Peters


Industry Arbitrator

Date of Decision: April 28th, 1992