

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

---

In the Matter of the Arbitration Between

Name of Claimants

Max C. Reefer  
Anne G. Reefer

vs.

NASD #91-02141

Name of Respondents

Shearson Lehman Brothers, Inc.  
Larry Maize

---

REPRESENTATION

For Claimants: James J. Sullivan, Esq., San Francisco, California

For Respondents: Kathryn L. Krebs, Esq., of Keesal, Young & Logan, Long Beach, California

CASE INFORMATION

Statement of Claim filed: July 12, 1991

Claimants' Submission Agreement signed on: July 1, 1991

Joint Statement of Answer filed by Respondents on: October 2, 1991

Respondents' Submission Agreements signed on:

Shearson Lehman Brothers:	September 21, 1991
Larry Maize:	October 8, 1991

HEARING INFORMATION

Prehearing Conference Date/Sessions: February 13, 1992 (one session)  
February 24, 1992 (one session)

Hearing Date/Sessions: April 21, 1992 (two sessions)  
May 7, 1992 (two sessions)

Hearing Location: Los Angeles, California

### CASE SUMMARY

Claimants alleged unsuitable and inappropriate securities transactions, breach of fiduciary duty and failure to supervise in connection with options and margin trading in their account.

Respondents denied the allegations and asserted that Claimants understood the risks involved with options trading and voluntarily utilized the option strategy in their account, authorized beforehand and/or ratifying afterwards every trade in the account. Respondents also asserted that they cannot be held responsible for Claimants' losses as such losses were a result of the market crash in 1987.

### RELIEF REQUESTED

Claimants requested damages of \$43,000, plus interest accruing at 7% for three (3) years, bringing the Reefers' actual compensatory loss to \$52,030. Claimants also requested costs of \$20,000, bringing the total claim to \$72,030, plus punitive damages in such amounts as the panel may determine.

Respondents requested dismissal of all claims, an award of costs, and for such other and further relief as the panel may deem proper.

### 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. All claims are dismissed.
2. The parties shall each bear their respective costs including attorneys' fees.

### OTHER COSTS

None.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$500 hearing session deposit previously made by the Claimants. No additional forum fees are assessed.

ARBITRATION PANEL

Name

Public/Industry

I.

Public Arbitrator  
Public Arbitrator  
Industry Arbitrator

Signature

DATE SERVED: 06/02/92

q.

Robert G. Sether  
Robert G. Sether

Date of Decision: 5-27-92