

PUBLIC

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between :

Suzanne G. Merrill :

Claimant :

vs. :

Shearson Lehman Brothers, Inc. :

Ronald Granucci :

William F. Stepanek :

Respondents :

CASE #91-03151  
AWARD

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 8, 1991, Claimant, Suzanne G. Merrill, who appeared Pro Se, alleged that Respondent, Shearson Lehman Brothers, Inc. through its broker, Respondent Ronald Granucci and Manager William F. Stepanek violated their fiduciary duty by recommending the purchase of two mutual funds, Transamerica Government Securities Trust and SLB Short Term World Income Fund, which were not suitable for her, considering her investment objective of preservation of capital. Claimant further alleged that Respondent, Ronald Granucci was motivated by commissions only, which he did not disclose, and that after she'd invested in the funds, he was rude and patronizing. The Claimant contended that she was forced to sell the funds at a loss, and that she should be compensated for that loss.

Respondents, Shearson Lehman Brothers, Inc., Ronald Granucci and William Stepanek through their in-house counsel, Ann Parry, Esq., maintained that both investments were suitable for the Claimant since her objective was to provide a high level of income consistent with safety of principal, and that the broker's advice was not a guarantee, therefore the Respondents cannot be held liable to Claimant based upon the fact that her investments may not have performed as she anticipated. Respondents further maintained that the commissions were disclosed in the prospectus, and that the Claimant failed to subtract dividends she received on the investments from her losses.

RELIEF REQUESTED

Claimant, Suzanne G. Merrill requested \$5,446.00 in actual damages, plus punitive damages.

Respondents, Shearson Lehman Brothers, Inc., Ronald Granucci and William Stepanek requested the claims of the Claimant be dismissed.

AWARD

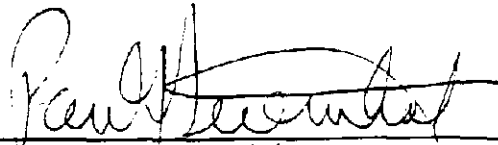
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Paul J. Derenthal, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on October 3, 1991 and by Respondents, Ronald Granucci and William Stepanek on November 1, 1991 and by Respondent, Shearson Lehman Brothers, Inc. on November 26, 1991.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents, Shearson Lehman Brothers, Inc., Ronald Granucci and William Stepanek are jointly and severally liable and shall pay to Claimant, Suzanne G. Merrill \$2,624.00 in actual damages.
2. The Claimant's claim for punitive damages is denied.
3. The parties shall bear their respective costs and attorney's fees.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondents, Shearson Lehman Brothers, Inc., William Stepanek and Ronald Granucci are jointly and severally liable and shall pay \$150.00 to the Claimant, Suzanne G. Merrill as reimbursement.

AFFIRMATION

I, PAUL J. DERENTHAL, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

A handwritten signature in cursive script, appearing to read "Paul J. Derenthal", is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION:

JUL 22 1992