

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 BetweenName of Claimant

Mary Marron

91-03206

Name of Respondent

Shearson Lehman Brothers, Inc.

REPRESENTATION

For Claimant: Frank J. Evangelist, Esq. of Ornsten & Evangelist.

For Respondent: Paul R. Williams, Esq. of Schupbach, Williams & Pavone.

CASE INFORMATION

Statement of Claim filed: October 14, 1991.

Claimant's Submission Agreement signed on: October 09, 1991.

Statement of Answer filed by Respondent, Shearson Lehman Brothers on:
February 10, 1992.Respondent, Shearson Lehman Brothers Submission Agreement signed on:
February 26, 1992.HEARING INFORMATION

Hearing Date/Sessions: October 13, 1992 - Two Sessions

Hearing Location: NASD, Inc., New York, New York

CASE SUMMARY

Claimant, alleged that she was referred to broker William Lawson ("Lawson") who worked for Shearson Lehman Brothers ("Shearson") because she wanted to invest the proceeds from the sale of real estate. Claimant alleged that she told Lawson that her investment objectives were safety and security and that she wanted short term investments because of her age.

Claimant alleged that she did receive monthly statements, but that they were too complex for her to understand.

Claimant alleged that Lawson engaged in margin transactions without her authorization. Claimant alleged that Lawson purchased investments, namely three limited partnerships without her authorization and which were unsuitable for her account. Claimant alleged that Lawson engaged in excessive trading in her account, for the purpose of generating commissions for himself.

Shearson maintains that Claimant received a prospectus for each limited partnership which fully described the investment. Shearson denies that the investments in the limited partnership were either unauthorized or unsuitable for the Claimant. Shearson maintains that Claimant never voiced a complaint about her account and the way it was being handled. Shearson maintains that the Claimant signed the New Account agreement to specifically authorize margin trading and that the amount of margin Trading was minimal and did not expose the Claimant to a great deal of risk. Shearson maintains that excessive trading did not occur in the account and that the average turnover was minimal and that the commissions generated were well within the industry norms.

RELIEF REQUESTED

Claimant requested damages in the amount of \$48,794.00.

Respondent requested that the Claim be dismissed in its entirety and that costs, disbursements and attorneys fees be awarded against the Claimant.

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 arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent, Shearson is hereby liable and shall pay to the Claimant the amount of \$14,124.00 (Fourteen Thousand One hundred Twenty Four Dollars And 00/XX).
- 2) The parties shall bear their respective costs of this action, including attorneys fees.
- 3). All other claims and counterclaims if any, are hereby denied.

FORUM FEES

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

Non-refundable Filing Fee: \$120.00
Hearing Session Fees: \$800.00

- 1) Respondent, Shearson, is hereby assessed total forum fees in the amount of \$920.00. (Nine Hundred Twenty Dollars And 00/100).
- 2) Shearson is directed to re-inburse to the Claimant the amount of \$520.00 previously paid to the NASD.
- 3) Shearson is directed to pay the balance of \$400.00 to the NASD, Inc.

Concurring Arbitrator 's Signature
Name


Robert M. Goldstein, Esq.

Public Arbitrator

EXECUTION:
Date of ~~Decision~~

11/7/92

NASD DATE OF DECISION: November 12, 1992

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Concurring Arbitrator's Signature
Name

Joseph J. Arata, Esq.

Public Arbitrator - Chairperson

EXECUTION:

Date of Execution: November 12, 1992

NASD DATE OF DECISION: November 12, 1992

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Concurring Arbitrator 's Signature
Name


Paul M. Rosenthal

Industry Arbitrator

EXECUTION:
Date of ~~Decision~~ 11/9/92

NASD DATE OF DECISION: November 12, 1992