

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Douglas E. & Kathy A. Sundeen

91-03299

Name of Respondent(s)

Shearson Lehman Brothers, Inc.
Chris Shafer

REPRESENTATION

For Claimant: Donald G. McGrath, Esq. of Falk & Siemer.

For Respondent: Jeffrey A. Sellers, Esq. of Silverberg, Yond, Sellers & McGorry.

CASE INFORMATION

Statement of Claim filed: October 22, 1991.

Claimant's Submission Agreement signed on: July 9, 1991.

Joint Statement of Answer filed by Respondents, Shearson Lehman Brothers, Inc. and Chris Shafer on: January 27, 1992.

Respondent, Chris Shafer's Submission Agreement signed on: January 27, 1992.

Respondent, Shearson Lehman Brothers, Inc.'s, Submission Agreement signed on: January 13, 1992.

HEARING INFORMATION

Hearing Date/Sessions: November 18, 1992 - Two Sessions.

Hearing Location: Hyatt Regency - Buffalo, New York.

CASE SUMMARY

Claimant alleges that he opened an IRA account with Respondent, Shearson Lehman Brothers, Inc. ("Shearson"). Claimant alleges that he specifically indicated that his investment objectives were appreciation with safety and income with safety. Claimant maintains that Respondent, Chris Shafer ("Shafer") recommended unsuitable securities and that he fraudulently induced Claimant to purchase these securities. Claimant maintains that Shearson failed to adequately supervise Shafer.

Respondents maintain that they acted in a proper and appropriate manner at all times with respect to the Claimant's account. Respondents maintain that Shafer fully explained every investment to the Claimant and that each investment was in accord with the Claimant's stated investment objectives. Respondents maintain that Claimant made all his own investment decisions.

RELIEF REQUESTED

Claimant requested damages in the amount of \$30,000 plus appropriate earnings and appreciation on his investment; costs, expenses and disbursements including attorneys fees. Claimant withdrew his claim for punitive damages at the hearing.

Respondents requested that the claim be denied.

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 Lehman Brothers, Inc. is hereby liable and shall pay to the claimant the sum of \$7,500.00 (**SEVEN THOUSAND FIVE HUNDRED DOLLARS AND ZERO CENTS**).
2. Interest will accrue on the above amount on January 15, 1993 at the legal interest rate

3. Each party shall bear their own costs of this action, including attorneys fees.
4. Respondent, Shearson Lehman Brothers, shall re-imburse to the Claimant the sum of \$520.00 previously deposited to the NASD, Inc. for forum fees.

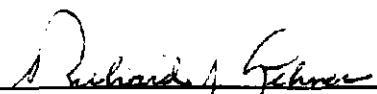
FORUM FEES

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

\$120.00 - Non-refundable filing fee.
\$800.00 - Hearing fees (\$400 x 2 Sessions)

1. Total forum fees in the amount of \$920.00 is hereby assessed against Respondent, Shearson Lehman Brothers, Inc.
2. Accordingly, Respondent, Shearson shall re-imburse to the Claimant forum fees as detailed above and Shearson is further directed to pay the balance of \$400.00 to the NASD, Inc.

Concurring Arbitrator's Signature
Public Panelist


RICHARD J. LEHNER

Date of Decision: January 19, 1993

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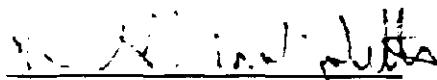
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Concurring Arbitrator's Signature
Public Chairperson



Vincent J. Muffoletto

Date of Decision: January 19, 1993

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Concurring Arbitrator's Signature
Industry Panelist


Kirstin M. Jahn

Date of Decision: January 19, 1993