

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Robert Alder as Trustee

91-03398

Name of Respondent(s)

Shearson Lehman Hutton, Inc.

David Kenney

REPRESENTATION

For Claimant: Michael Bertz, Esq. of 1801 Century Park East, Ste 2400; Los Angeles, CA 90067.

For Respondent: William Hobauser, Esq. of Shearson Lehman Bros.

CASE INFORMATION

Statement of Claim filed: October 29, 1991

Claimant's Submission Agreement signed on: November 15, 1991

Statement of Answer filed by Respondent on: January 7, 1991

Respondent, Shearson Lehman Brothers' Submission Agreement signed on: January 9, 1991

Respondent, D. Kenney's Submission Agreement signed on: January 6, 1991

HEARING INFORMATION

Pre-Hearing Conference: None.

Hearing Date(s)/Sessions: May 1, 1992 - Two Sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged lack of disclosure and improper commission charge in the purchase of Cetus stock.

Respondents denied all substantive allegations of the Statement of Claim, and alleged that claimant was fully informed and did not authorize to sell orders until the price had declined to about \$9.00 per share.

RELIEF REQUESTED

Claimant requested:

1. Compensatory damages of \$22,000.00; and
2. Compensatory damages of \$394.00 for commission charges.

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 original(s) 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. Respondents are jointly and severally liable for and shall pay claimant the sum of \$5,500.00.
2. The parties shall each bear their respective costs including attorneys' fees.

FORUM FEES

Pursuant to Section <43c> of the Code of Arbitration Procedure, the following Forum Fees are assessed: The NASD shall retain the \$300.00 hearing session deposit previously deposited by the claimant. Forum fees assessed against Respondents, jointly and severally, for \$300.00, calculated as follows: Two hearing sessions X \$300.00 / hearing session, minus \$300.00 already paid by claimant.

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

ARBITRATORS

Name

Robert J. Ruben, Esq.

Public/Industry

Public

Concurring Arbitrators' Signatures



DATE SERVED: 06/30/92