

N.A.S.D. AWARD

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

Winifred Haverstick

CASE #91-03566

Name of Respondent

Shearson Lehman Brothers, Inc.

REPRESENTATION

For Claimant Winifred Haverstick: Vicki Kuftic Horne, Esq. of
Schuchert, Sheerer & Horne, P.C.

For Respondent Shearson Lehman Brothers, Inc.: Foster S. Goldman,
Jr., Esq. of Klett, Lieber, Rooney & Schorling.

CASE INFORMATION

Statement of Claim filed: November 12, 1991.

Claimant's Submission Agreement signed on: November 6, 1991.

Statement of Answer filed by Respondent Shearson Lehman Brothers,
Inc. on: August 24, 1992.

Respondent Shearson Lehman Brothers, Inc.'s Submission Agreement
signed on: January 28, 1992.

Amended Answer filed by Respondent, Shearson Lehman Brothers,
Inc. on: September 23, 1992.

HEARING INFORMATION

Hearing Dates/Sessions: October 27, 1992 / 2 sessions
 October 28, 1992 / 2 sessions

Hearing Location: Ramada Inn Downtown in Pittsburgh, PA.

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CASE SUMMARY

Claimant alleged that she opened an account with Respondent and recommendations were made concerning Claimant's account and at all times Claimant understood and believed that these recommendations were consistent with her needs for preservation of her principal and maximization of the receipt of her income while preserving income; however, the recommendations were unsuitable. Claimant further alleged that various trading activity occurred in her account without her consent and Respondent's employees caused Claimant to open a margin account, representing that the purpose of said margin account was to enable Claimant to write checks and utilize the account with Respondent as a form of checking account. Claimant further alleged that thereafter, purchases were made on behalf of Claimant on margin, which was contrary to the needs and personal circumstances of Claimant and these transactions were made without her consent. Claimant further alleged that Respondent purchased securities that were unsuitable for her and Respondent churned Claimant's account.

Respondent maintained that the recommended transactions were suitable and appropriate to Claimant's stated investment objectives. Respondent further maintained that Claimant's investment objectives were income with safety and income with risk and these objectives were adhered to at all times by Respondent, and Respondent discussed with Claimant all the consequences of all the transactions. Respondent further denied any churning occurred in Claimant's account, and a margin account was opened by Claimant only after full disclosure by Respondent. Respondent further asserted the following defenses: failure to state a claim; statute of limitations, ratification, and waiver.

RELIEF REQUESTED

Claimant requested: compensatory damages in a minimum amount of \$150,000.00 plus interest, costs, and attorneys' fees.

Respondent requested: all claims should be dismissed.

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 against Respondent Shearson Lehman Brothers, Inc. be and hereby are dismissed in their entirety.

2. Each party shall bear their own costs.

FORUM FEES

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

4 sessions x \$750.00 = \$3,000.00 less \$750.00 hearing
session deposit = \$2,250.00 net due.

Forum Fees Assessed Against:

Respondent Shearson Lehman Brothers, Inc. be and hereby is liable and shall pay the NASD the sum of \$1,500.00 to represent forum fees.

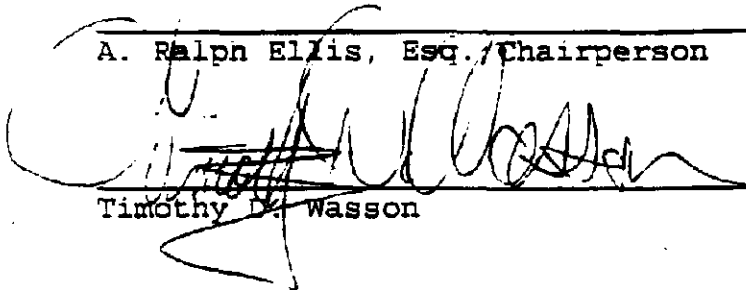
Claimant be and hereby is liable and shall pay the NASD the sum of \$750.00 to represent forum fees.

The NASD shall retain the \$200.00 filing fee and \$750.00 hearing session deposit previously deposited by Claimant.

CONCURRING ARBITRATORS' SIGNATURE

Name

Public/industry


A. Ralph Ellis, Esq., Chairperson

Public

Timothy D. Wasson

Industry

Randall L. Katz

Public

Date of Decision: November 20, 1992

Page[®] 3
Award #91-03566

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Name

Public/industry

A. Ralph Ellis

A. Ralph Ellis, Esq./Chairperson

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Page 3
Award #91-03566

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