

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Sidney H. Levin,
as Trustee of the Levin Family Trust

NASD Arbitration
No. 91-03894

Name of Respondent

Shearson Lehman Hutton, Inc.

REPRESENTATION

For Claimant: Robert N. Block, Esq. - Mitchell, Silberberg & Knupp - Los Angeles, California

For Respondent: Colin C. Swainston, Esq. - Keesal, Young & Logan - Long Beach, California

CASE INFORMATION

Statement of Claim filed: December 9, 1991

Claimant's Submission Agreement signed: December 4, 1991

Statement of Answer filed by Respondent: February 24, 1992

Respondent's Submission Agreement signed: January 24, 1992

HEARING INFORMATION

Hearing Dates/Sessions: May 24, 1993 - Two Sessions
 May 25, 1993 - Two Sessions
 May 26, 1993 - Two Sessions
 May 27, 1993 - Two Sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant, Sidney H. Levin (Levin), alleged that Respondent failed to properly supervise their former employee, Henry Midlin (Midlin). It is alleged that Midlin sold Levin certain partnership and real estate investments that proved to be bogus. Midlin was not named in the claim because he was unavailable for service of the claim.

Respondent, Shearson Lehman Hutton, Inc. (SLH), specifically alleged that Levin's \$200,000.00 investment in a partnership called Progressive Partners was not a Shearson product and was not condoned or sold by SLH. Levin's investment in Progressive Partners was a non-brokerage type of investment and was not reflected on Levin's monthly SLH statement.

RELIEF REQUESTED

Claimant, Levin, seeks to recover damages in excess of \$250,000.00 for federal securities law claim, treble damages under RICO, not less than \$1,000,000.00 for punitive damages, negligence damages according to proof, attorneys' fees, costs, forum fees and interest.

Respondent, SLH, requests that the arbitrators render an award in its favor, and that SLH be awarded costs and expenses incurred in defense of the claim.

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 arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Shearson Lehman Hutton, Inc. is liable and shall pay to Claimant, Sidney H. Levin, as Trustee of the Levin Family Trust, the sum of Two Hundred Fifty Nine Thousand, Three Hundred Eighty Seven Dollars and No Cents (\$259,387.00).
2. Claimant's claim for punitive damages is dismissed.
3. Claimant's claim for RICO damages is dismissed.
4. The parties shall each bear their respective costs and fees, including attorneys' fees.
5. The NASD shall retain all fees and deposits.
6. Interest at the rate of 6% per annum shall apply to the amount of the award 30 days after service of this award.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed:

1. Respondent is assessed \$4,000.00 representing four hearing sessions at \$1,000.00 each.
2. Claimant is assessed \$3,000.00 representing four hearing sessions at \$1,000.00 each, less credit for the previously deposited \$1,000.00.

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

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Aaron Fenton, Esq.	Public Chairperson
Larry Edmonson	Public Panelist
Donald Lisle	Industry Panelist

Concurring Arbitrators' Signatures



Dissenting Arbitrator's Signature

Date of Decision: 6/29/93