

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	:	
George Nishio	:	
	:	
Claimant	:	CASE #91-04084
	:	AWARD
vs.	:	
	:	
Shearson Lehman Brothers, Inc.	:	
Raymond M. Rennie	:	
	:	
Respondents	:	

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 24, 1991, Claimant George Nishio who appeared Pro Se, alleged that Respondents Shearson Lehman Brothers, Inc. and Raymond M. Rennie purchased without his knowledge or authorization a unit TRUST GMA, Fund G, 9.85% for \$5,101.50, which he has been unable to reverse. The Claimant further alleged that although he was told he was purchasing GNMA certificates, he was actually investing in GNMA Trust & CD which was against his investment objectives.

Respondents, Shearson Lehman Brothers, Inc. and Raymond Rennie, through their counsel, Robert L. Gonzer, Esq. of Keesal, Young & Logan, San Francisco, CA, maintained that the Claimant's complaint regarding the handling of his IRA account is without merit, since he is a knowledgeable, sophisticated investor who opted to diversify his portfolio by investing in a 7 year CD, and that the Claimant's refusal to invest in a 3 or 5 year CD illustrates his desire for high yield. The Respondents further maintained that the trading activity in the Claimants' account was suitable in light of his stated objectives, investment history and net worth, and that the investments he holds yield in excess of 9% annually. The Respondents contended that the claims of the Claimant are time-Barred, since he waited nearly three years to file his complaint, and that they cannot be held liable because their investments were suitable and the Claimant ratified the purchase of each investment in the IRA Account.

RELIEF REQUESTED

Claimant, George Nishio requested \$7,344.11 in actual damages.

Respondents, Shearson Lehman Brothers and Raymond Rennie requested the claims of the Claimant be dismissed and that they be awarded costs.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Owen Guinn Smith, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on December 18, 1991 and by the Respondent Raymond Rennie on May 26, 1992 and Respondent Shearson Lehman Brothers on June 15, 1992.

And, the Arbitrator, having considered the proof of the Parties, has decided in full and final resolution of the issues submitted for determination as follows:

1. The Respondent, Shearson Lehman Brothers, Inc.'s request for production of documents is denied.
2. Respondents Shearson Lehman Brothers, Inc. and Raymond Rennie are jointly and severally liable and shall pay to Claimant George Nishio \$7,344.11 in actual damages.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD. Respondent Shearson Lehman Brothers is liable and shall pay \$150.00 to the Claimant as reimbursement.

AFFIRMATION

I, OWEN GUINN SMITH, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.


Signature of Arbitrator

Date of Decision: October 29, 1992