

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

---

In the Matter of the Arbitration Between

**Name of Claimant(s)**

Neil S. and Barbara Saltzman

92-01044

**Name of Respondent(s)**

Shearson Lehman Brothers, Inc.

---

**REPRESENTATION**

For Claimants Neil and Barbara Saltzman: Claimants appeared Pro Se.

For Respondent Shearson Lehman Brothers, Inc.: Paul Williams, Esq. of Schupbach, Williams & Pavone.

**CASE INFORMATION**

Statement of Claim filed: March 23, 1992.

Claimants' Submission Agreement signed on: March 13, 1992.

Statement of Answer filed by Respondent Shearson Lehman Brothers, Inc. on: June 26, 1992.

**CASE SUMMARY**

Claimants alleged that Respondent failed to advise them of the speculative and volatile nature of the investment in America West Bonds, and Respondent failed to advise Claimants its status as a market maker in the security. Claimants further alleged that David Levin, financial consultant with Respondent, represented to Claimants that Respondent's research department thoroughly researched the financial condition of America West and had only glowing reports on the company's future and Claimant reasonably relied upon the representations made by Levin and the research referred to. Claimants further alleged that approximately one month later after the purchase and representations, America West filed bankruptcy and that Respondent was negligent in the research and gave negligent advice to continue to hold the investment.

Respondent alleged that the investments in question were fully consistent with the stated objectives of Claimants, who were accurately informed of the attributes and risks thereof. Respondent further maintained Claimant indicated their investment objectives included "appreciation with risk", as well as "speculation" and Claimants were aware they were purchasing an investment with risk. Respondent further asserted the following defenses: failure to state a claim, Claimants directly instructed, directed, authorized, consented to, acquiesced in and ratified the transaction, waiver, estoppel, good faith, laches and statute of limitation.

### **RELIEF REQUESTED**

Claimants requested: \$8,744.66 in compensatory damages plus interest accruing from May 22, 1991.

Respondent requested: All claims be dismissed in their entirety.

### **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. All claims by Claimants against Respondent be and hereby are dismissed.
2. Each party shall bear its own costs including attorneys' fees.

### **FORUM FEES**

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

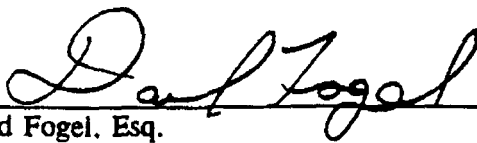
2 sessions x \$200.00 = \$400.00 less \$200.00 hearing session  
deposited = \$200.00

Forum Fees Assessed Against:

Respondent be and hereby shall be liable and shall pay to the NASD the sum of \$200.00 to represent forum fees.

The NASD shall retain the \$200.00 hearing session deposit and \$75.00 filing fee previously deposited by Claimant.

**ARBITRATOR SIGNATURE**

  
\_\_\_\_\_  
David Fogel, Esq. Public Arbitrator

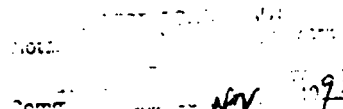
Date of Decision: February 4, 1993

STATE OF: *New York*

SS:

COUNTY OF: *Kings*

On this *2nd* day of *February*, 1993, before me personally appeared David Fogel, Esq. known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

  
\_\_\_\_\_  
*Hebert Schuchman*