

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Abraham Adhanom

92-02880

Name of Respondent(s)

Lee Catineau
David Dalton

REPRESENTATION

Claimant, Abraham Adhanon ("Claimant") was not represented by counsel.

For Respondents, Lee Catineau ("Catineau") and Dave Dalton ("Dalton"), John R. Blake, Esq. from the law firm Bowditch & Dewey.

CASE INFORMATION

Statement of Claim filed on August 26, 1992.

Claimant's Submission Agreement was signed on June 19, 1992.

Claimant's Request to Preclude Respondents' Answer was filed on January 25, 1993.

Joint Statement of Answer was filed by Catineau and Dalton ("Respondents") on January 13, 1993.

Respondents' Submission Agreement was signed on January 8, 1993.

Joint Motion to Extend Time to Answer was filed by Respondents on January 13, 1993.

HEARING INFORMATION

Hearing Dates/Sessions: March 8, 1993 - One Session

Hearing Location: National Association of Securities Dealers, Inc.'s offices located at 260 Franklin Street, Boston Massachusetts.

CASE SUMMARY

Claimant alleges that he told Don Catineau, Respondent Catineau's son, about his financial background and investment objectives. Claimant alleges that Don Catineau promised that there would be a smooth communication channel so that Claimant would be up-to-date on the financial changes in the market. Claimant states that that did not happen. Claimant also states that he purchased 200 shares of Tons of Toys and 100 shares of Interleaf and that his objective was to hold them for a short period of time. Claimant alleges that when the stocks started in a downward trend, he wanted to sell and Don Catineau instead told him to purchase additional shares which he declined. Claimant alleges that Don Cantineau left Shearson and his account was assigned to Respondent Catineau without his authorization. Claimant alleges that Tons of Toys Company went bankrupt and he lost his investment.

Claimant further alleges that he advised Catineau that he could not afford to take losses because the funds came from a home equity loan. Claimant also alleges that he wanted to purchase Microsoft shares and Catineau advised against it and recommended that he purchase DEC, Mips, LSI and Sphinx. Claimant states that he kept losing money and Respondents refused to resolve this problem.

Respondents deny liability for Claimant's losses. Respondents contend that claimant does not have a valid claim against Dalton.

Respondents states that Claimant made 13 transactions, 6 of which were recommended by Catineau or his son and the remaining 7 were suggested by Claimant. Respondents further state, that the aggregate realized and unrealized losses were \$4,079.00.

Respondents contend that they acted professionally and responsibly at all times. Respondents also contend that they returned Claimant's calls and that Catineau initiated telephone calls to Claimant. Respondents further state that they gave Claimant a reduced commission rate even though the volume of transactions in Claimant's account fell below the customary level for granting discounts.

RELIEF REQUESTED

Claimant requests an award of \$15,000.00 which represents losses from stock options as well as Home Equity Loan interest payments.

Respondents request that the claim be denied in its entirety because it lacks merit. Respondents also request that Shearson which is defending this matter, be awarded its costs, including

reasonable attorney's fees.

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.

By letter dated December 23, 1992, Claimant requested that Respondents be precluded from submitting a response to the claim because the answer was not filed when it was due.

Respondents filed a Motion to Extend Time to Answer dated January 12, 1993. Claimant request was denied and Respondents' Motion was granted.

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 asserted by Claimant against Respondents are denied.
2. Respondents' request for attorney's fees is denied.
3. Respondents shall jointly and severally reimburse Claimants \$250.00 for half of the forum costs of this arbitration.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed equally against Claimant and Respondents.

Non-refundable Filing Fee: \$100.00.

Hearing Session Fees: \$400.00 x 1 session = \$400.00.

1. Claimant deposited \$400.00 and is entitled to a refund of 250.00
2. Respondents shall jointly and severally reimburse Claimant \$250.00.


ARBITRATION PANEL

Francis J. Feeney, Jr., Esq. - Public Chairperson

Cornelius J. McAuliffe, Esq. - Public Panelist

Lowell A. Warren, Jr. - Industry Panelist

Concurring Arbitrator's Signature
Name



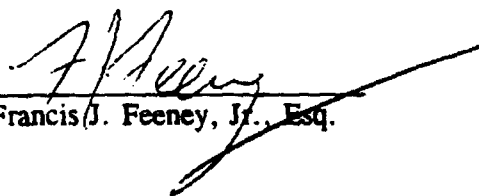
Cornelius J. McAuliffe, Esq.

Date of Decision: April 12, 1993

ARBITRATION PANEL

Francis J. Feeney, Jr., Esq. - Public Chairperson
Cornelius J. McAuliffe, Esq. - Public Panelist
Lowell A. Warren, Jr. - Industry Panelist

Concurring Arbitrator's Signature
Name

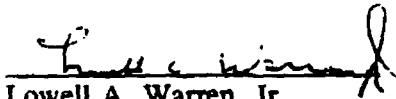

Francis J. Feeney, Jr., Esq.

Date of Decision: April 12, 1993

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Lowell A. Warren, Jr. -	Industry Panelist

Concurring Arbitrator's Signature
Name


Lowell A. Warren, Jr.

Date of Decision: April 12, 1993