

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

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

In the matter of the Arbitration Between

**Name of Claimant**

Isaac Living Trust,  
William & Clorinda Isaac, Trustees

NASD Arbitration  
No.92-03241

**Name of Respondents**

Shearson Lehman Brothers, Inc.  
Gary Fetman

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**REPRESENTATION**

For Claimant: Randall S. Waier, Esq., Waier & Urtnowski, Newport Beach, California

For Respondent Shearson: William A. Hohausser, Esq., Smith Barney, Inc., New York, New York

For Respondent Fetman: Arthur Nakazato, Esq., Kircher & Nakazato, Newport Beach, California

**CASE INFORMATION**

Statement of Claim filed: November 9, 1992

Amended Claim filed: February 24, 1995

Claimants' Submission Agreement signed: October 28 and 29, 1992

Statement of Answer filed by:

Shearson: January 25, 1993

Fetman: January 27, 1993

Respondents' Submission Agreements signed:

Shearson: January 25, 1993

Gary Fetman: None submitted.

### **HEARING INFORMATION**

A pre-hearing telephone conference lasting one session was held on April 6, 1995.

The evidentiary hearing was held in Los Angeles, California, as follows:

December 12, 1995	-	3 sessions
December 13, 1995	-	2 sessions
December 14, 1995	-	1 session

### **CASE SUMMARY**

Claimants alleged unauthorized trading, fraud, misrepresentation, failure to supervise, and lack of suitability arising out of the Trust's investments in pork belly futures.

Respondent Shearson denied the allegations of wrongdoing, and asserted that the pork belly futures traded short were specifically authorized by Mr. Isaac.

### **RELIEF REQUESTED**

Claimants requested damages, as amended, of at least \$145,000.

Respondent Shearson requested dismissal of all claims.

### **OTHER ISSUES CONSIDERED AND DECIDED**

The parties have agreed that the Award in this matter may be executed in either 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. Respondents are jointly and severally liable for and shall pay to Claimants the sum of \$15,000 in satisfaction of all claims.
2. The parties shall each bear their respective costs, including attorney's fees.

### **FORUM FEES**

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the NASD shall retain the \$200 non-refundable filing fee paid by Claimants.

Forum fees are assessed as follows:

**Total fees:**

1 pre-hearing conference @ \$300 / session	=	\$300.00
6 hearing sessions @ \$750 / session	=	\$4,500.00
		<u>\$4,800.00</u>

Claimants' one-half share	=	\$2,400.00
Credit for hearing session deposit	=	\$750.00
Balance due	=	<u>\$1,650.00</u>

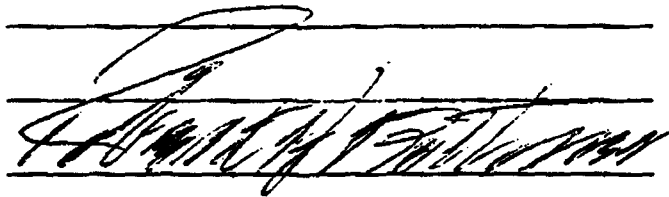
Respondents' (joint & several) one-half share	=	<u>\$2,400.00</u>
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Fees are payable to the NASD, Inc.

### **ARBITRATORS**

<u>Name</u>	<u>Public / Industry</u>
Elliott Finkel	Public Chairperson
Clifford E. Schiffer	Public Panelist
Robert H. Bothner	Industry Panelist

**Concurring Arbitrators' Signatures**



Two handwritten signatures are shown on horizontal lines. The first signature is a stylized cursive 'E' for Elliott Finkel. The second signature is a more complex cursive script for Clifford E. Schiffer.