

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Nancy A. Toomey

NASD Arbitration
No. 92-03849

Name of Respondents

Shearson Lehman Brothers, Inc.
Donald C. Shaw

REPRESENTATION

For Claimant: Walter J. Middlecamp - Portland, Oregon

For Respondents: George O. Richardson, III, Esq. - Shearson Lehman Brothers,
Inc. - New York, New York

CASE INFORMATION

Statement of Claim filed: November 13, 1992

Amendment to Statement of Claim filed: June 28, 1993

Claimant's Submission Agreement signed: November 4, 1992

Joint Statement of Answer filed by Respondents: January 15, 1993

Respondent, Shearson Lehman Brothers, Inc.'s Submission Agreement signed:
January 18, 1993

Respondent, Donald C. Shaw's Submission Agreement signed: January 20, 1993

HEARING INFORMATION

Pre-Hearing Conference:	May 21, 1993 -	One Session
	June 29, 1993 -	One Session

Hearing Dates/Sessions:	July 22, 1993 -	Two Sessions
	July 23, 1993 -	Two Sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant, Nancy A. Toomey (Toomey), alleged that Respondent, Donald C. Shaw (Shaw), while employed by Respondent, Shearson Lehman Brothers, Inc. (SLB), recommended the purchase, on margin, of Pan Am "junk bonds". Toomey asserts that the risks involved in these purchases were not explained to her and should never have been allowed. Said investments were not appropriate in light of Toomey's experience and investment objectives.

Respondents, Shaw and SLB, alleged that Toomey was and is an intelligent woman wholly capable of managing her financial affairs and participated completely in the management of her account and took responsibility for investment decisions made. Respondents also alleged that, with the exception of the initial purchase of the Pan Am stock, Toomey personally directed all subsequent purchases of the stock and completely understood the risks associated with the transactions.

RELIEF REQUESTED

Claimant seeks to recover compensatory damages of \$1,200,000.00, punitive damages of \$1,000,000.00, interest, and costs.

Respondents seek dismissal of the claim in its entirety, costs and 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.

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. Each and every claim of Claimant, Nancy A. Toomey, against Respondent, Shearson Lehman Brothers, Inc., is dismissed.
2. Each and every claim of Claimant, Nancy A. Toomey, against Respondent, Donald C. Shaw, is dismissed.
3. The parties shall each bear their respective costs and fees, including representation/attorney's fees.

FORUM FEES

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

2 Prehearing Conferences @ \$300 / session	=	\$ 600.00
4 Sessions @ \$1,000 / session	=	\$4,000.00
<u>Credit for hearing sessions previously deposited</u>	=	<u>(\$1,000.00)</u>
Total Fees	=	\$3,600.00


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

92-3849

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Lambert Javelera, Esq.	Public Chairperson
Philip Burge	Public Panelist
Michael Burnett	Industry Panelist

Concurring Arbitrators' Signatures



Date of Decision:

7/22/93

92-3849

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Lambert Javelera, Esq.	Public Chairperson
Philip Burge	Public Panelist
Michael Burnett	Industry Panelist

Concurring Arbitrators' Signatures

Philip W. Burge

Date of Decision: _____

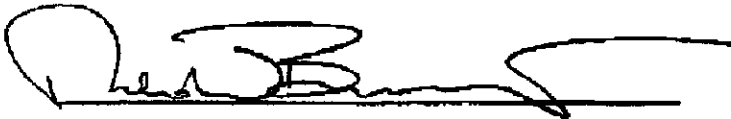
July 23, 1993

92-3849

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Lambert Javelera, Esq.	Public Chairperson
Philip Burge	Public Panelist
Michael Burnett	Industry Panelist

Concurring Arbitrators' Signatures



Date of Decision: 7/23/93