

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

Terrence and Joanne Melius

and

93-00080

Name of Respondents

Shearson Lehman Brothers, Inc.
Stuart Oppenheimer

REPRESENTATION OF PARTIES

Terrence Melius ("Claimant") appeared *pro se*.

Shearson Lehman Brothers, Inc. and Stuart Oppenheimer ("Respondents") were represented by Michael R. Wherry, Esq. of Davis & Kuelthau, S.C., Milwaukee, Wisconsin.

CASE INFORMATION

The Statement of Claim was filed on or about January 6, 1993. Submission Agreement of Claimants Terrence C. Melius and Joanne M. Melius was signed on January 5, 1993.

Statement of Answer was filed by Respondents on or about March 2, 1993. Submission Agreement of Respondent Shearson Lehman Brothers, Inc. was signed on February 19, 1993 by John P. Bevilacqua. Submission Agreement of Respondent Stuart Oppenheimer was signed on February 17, 1993.

HEARING INFORMATION

The hearing was held on Friday, July 29, 1993 in Milwaukee, Wisconsin for a total of two (2) sessions.

CASE SUMMARY

Claimant alleged that the recommendation of the purchase of shares of Cheung Labs, Inc. constituted fraud and misrepresentation and violated the N.A.S.D. Rules of Fair Practice. Claimant also stated that the recommendation was irresponsible and not consistent with his investment objectives.

Respondents denied the allegations of the Claimant. Respondents specifically denied that the purchase of the remaining 8,000 shares of Cheung labs. inc. were solicited but admitted that the initial purchase of 500 shares was solicited. Respondents further stated that the Claimant requested information on "penny stocks" and was advised that Shearson did not deal in many securities of that type.

RELIEF REQUESTED

Claimants requested an award in the amount of \$20,952.77.

Respondents requested that the claims asserted herein be dismissed in all respects and an award of attorney's fees, costs and disbursements incurred in defense of this matter.

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 original(s) remain on file with the N.A.S.D.

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. All claims asserted in this matter shall be and hereby are dismissed in their entirety.
2. Each party shall bear its own costs, expenses and attorney's fees, if any, incurred in this matter not specifically enumerated herein.

FORUM FEES

Pursuant to §43(c) of the N.A.S.D. Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("N.A.S.D.") shall retain the non-refundable filing fee in the amount of \$100.00 and shall retain as forum fees the hearing session deposit in the amount of \$400.00 previously deposited with the N.A.S.D. by the Claimant.

Forum fees are calculated at the rate of \$400.00 per hearing session and \$300.00 for each prehearing conference, if any. *Fees are payable to the National Association of Securities Dealers, Inc.*

Dated:

s/ Arthur J. Vlasak, Esq.

Arthur J. Vlasak, Esq.

Public Arbitrator, Presiding Chair

August 9, 1993

s/ Peter O. Kirchhoff

Peter O. Kirchhoff

Public Arbitrator

August 14, 1993

s/ John Demetropoulos

John Demetropoulos

Industry Arbitrator

August 16, 1993