

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Seymour G. Statman

93-00585

Name of Respondents

Shearson Lehman Brothers, Inc.
John Michael Vermilya

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 17, 1993, Claimant Seymour G. Statman, who appeared Pro Se, alleged that Respondent John Michael Vermilya of the Respondent firm Shearson Lehman Brothers, Inc. failed to adequately explain his investment in 27 Units EF Hutton TET #64, and that his principal payout for this investment should have been \$27,343.71, but he actually received only \$23,979.51; therefore, he is entitled to the difference. The Claimant contended that had the Respondents explained these payouts prior to his investing, he would not have placed his funds in them.

Respondent Shearson Lehman Brothers, Inc., through its in-house counsel, John P. Bevilacqua, Esq., maintained that it denies any allegations of wrongdoing and of any liability to the Claimant.

Respondent John Michael Vermilya failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant Seymour Statman requested \$4,854.87 in actual damages.

Respondent Shearson Lehman Brothers, Inc. requested it be dismissed from this matter.

Respondent John Michael Vermilya failed to file an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure the Respondent John Michael Vermilya was served a copy of the Statement of Claim by regular mail and given an opportunity to respond, which he failed to do. Although reasonable attempts were made to effect service on this Respondent, all packages were returned "Forwarding Order Expired".

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, John Hearn, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 9, 1993, but not by the Respondents as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Shearson Lehman Brothers, Inc. is liable and shall pay to the Claimant Seymour G. Statman \$3,364.20 in actual damages.
2. The claims of the Claimant Seymour G. Statman against Respondent John Michael Vermilya are dismissed without prejudice.
3. The parties shall bear their respective costs.
4. ~~The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.~~ Respondent Shearson Lehman Brothers, Inc. is liable and shall pay \$125.00 to the Claimant as reimbursement.

AFFIRMATION

I, JOHN HEARN, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



John Hearn

DATE OF DECISION: August 19, 1993