

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

James and Edwina U. Dunworth

93-01043

Name of Respondents

Shearson Lehman Brothers, Inc.
Michael R. Cosgrave

REPRESENTATION

For Claimants James and Edwina U. Dunworth ("Claimants"): Kevin A. Palmer, Esq. of the law firm of Butera, Beausang, Cohen and Brennan, King of Prussia, PA.

For Respondents Shearson Lehman Brothers, Inc. ("Shearson") and Michael R. Cosgrave ("Cosgrave"): John J. Murphy, Esq. of the law of Stradley Ronon Stevens & Young, Philadelphia, PA.

CASE INFORMATION

Statement of Claim filed: March 17, 1993

Claimants' Submission Agreement signed on: March 12, 1993

Cosgrave's Submission Agreement signed on: June 14, 1993

Statement of Answer filed for Cosgrave by Prudential Securities, Inc.
by on: March 17, 1993

Statement of Answer filed by Shearson and Cosgrave on: May 20, 1993

HEARING INFORMATION

Hearing Date/Session: May 24, 1994 - two sessions

Hearing Location: Holiday Inn, Philadelphia, PA

CASE SUMMARY

Claimants purchased a total of \$28,300 worth of debt securities of National Gypsum in their respective IRA accounts at Shearson in July, 1988. Claimants contend that certain risks were not disclosed to them and that the securities purchased were not suitable for the IRA accounts.

Respondents deny the allegations and contend the purchases were suitable and that any risks were disclosed to Claimants.

RELIEF REQUESTED

At the hearing, Claimants requested damages in the amount of \$17,125.50 as to each IRA account for a total amount of \$34,251.

Respondents requested that Claimants' claim be dismissed in its entirety and that costs be awarded in favor of the Respondents.

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.

That Respondent Shearson failed to execute a Submission Agreement, however, the Panel pursuant to Section 12(a) of the Code of Arbitration exercised its jurisdiction over Respondent Shearson.

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. That Respondent Shearson is liable and shall pay to Claimant James Dunworth the sum of \$2000; no interest is awarded on this amount.
2. That Respondent Shearson is liable and shall pay to Claimant Edwina U. Dunworth the sum of \$2000; no interest is awarded on this amount.

3. That the parties shall bear their own costs and attorneys' fees, except as specified below.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed.

2 sessions X \$400 = \$800

Forum Fees Assessed Against: Respondent Shearson shall bear the forum fees of \$800. Claimants deposited the initial hearing session fee in the amount of \$400. Respondent Shearson is directed to refund and pay to Claimants their hearing session fee of \$400. Respondent Shearson shall pay the remaining forum fees of \$400 directly to the National Association of Securities Dealers, Inc.

Concurring Arbitrator's Signature
Name

Public/Industry


Irving J. Zipin, Esq.

Public Arbitrator

NASD Date of Decision: June 23, 1994

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Concurring Arbitrator's Signature
Name


Arthur R. G. Solmssen-Chairman

Public/Industry

Public Arbitrator

NASD Date of Decision: June 23, 1994

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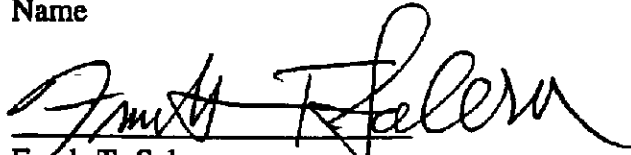
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Concurring Arbitrator's Signature
Name


Frank T. Salera

Public/Industry

Industry Arbitrator

NASD Date of Decision: June 23, 1994