

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Mary H. Hoberg

93-02904

Name of Respondents

Shearson Lehman Brothers, Inc.
Cheri Maggio

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 27, 1993, Claimant Mary H. Hoberg, who appeared Pro Se, alleged that she conveyed to Respondent Cheri Maggio of the Respondent firm Shearson Lehman Brothers, Inc. when she opened her account she that she did not want to take any unnecessary risks and could not afford to lose any portion of her principal. The Claimant further alleged that Respondent Maggio invested \$11,000 on Claimants behalf in Southmark Senior Subordinated Notes which are now virtually worthless. Claimant further alleged that she was ill-advised and ill-served by Respondent Maggio and Shearson Lehman Brothers, Inc. and that, they should therefore be held liable in this matter.

Respondents Cheri Maggio and Shearson Lehman Brothers, Inc. through their in-house counsel, Anne Perry, Esq. maintained that Claimant was willing and financial able to assume the risk of buying and holding Southmark Notes. Respondents further maintained that all the attendant risks were clearly spelled out to Claimant and that these risks were suitable considering her objectives and background. Respondents, Cheri Maggio and Shearson Lehman Brothers, Inc. contended that they committed no wrong and should not be held liable in this matter.

RELIEF REQUESTED

Claimant Mary H. Hoberg requested an award for actual damages in the amount of \$10,000.00.

Respondents Cheri Maggio and Shearson Lehman Brothers, Inc. requested that the claims of the Claimant be denied in their entirety and that they be awarded their reasonable costs.

AWARD


Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, J. Robert Arkush, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on July 17, 1993 and by the Respondents on September 13, 1993.

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. The claims of the Claimant Mary H. Hoberg against Respondents Cheri Maggio and Shearson Lehman Brothers, Inc. are dismissed in their entirety.
2. The Claimant's request for interest is denied.
3. The parties shall bear their respective costs.
4. The \$150 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

I, J. Robert Arkush, 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.



Arbitrator's Signature

DATE OF DECISION: March 16, 1994