

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Virginia M. Garrison

93-05327

Name of Respondents

Smith Barney Harris Upham & Co., Inc.
Daniel A. Petit

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 23, 1993, Claimant Virginia M. Garrison, who appeared Pro Se, alleged that Respondent Daniel A. Petit ("Petit"), a broker at Respondent Smith Barney Shearson, Inc., called her and discussed various investments with her. Claimant further alleged that Respondents sold her 11 units of the Tax Exempt Securities Trust Series 73 ("Trust"), and that Respondent Petit told her this investment would give her a nine percent yield. Claimant contended that the Trust yielded less than nine percent. Claimant further contended that she was told by Respondent Petit that all bonds in the Trust were rated A or higher, yet she was never advised of certain bankruptcies regarding the Trust. Claimant alleged that she was not given a prospectus for the Trust until sometime late in February, 1991. As a result of the above, Claimant alleged that she has suffered damages for which the Respondents should be held liable.

Respondents Smith Barney Shearson, Inc. and Daniel A. Petit, through Respondent Smith Barney Shearson, Inc.'s in-house counsel Ellen Slipp, Esq., New York, New York, maintained that Claimant represented to Respondent Petit that she was very well informed in the area of investment. Respondents further maintained that Respondent Petit gave detailed information and was extremely thorough and accurate in discussing the Trust with Claimant before she purchased her interests in this investment. Respondents contended that Respondent Petit explained to Claimant that all of the bonds in the Trust were rated A or better at the inception of the trust. Respondents contended that Claimant received a return

of over nine percent on the principal she invested for the two years she held the Trust. Respondents contended that Claimant received a prospectus detailing the investment in question on January 22, 1991. As a result of the above, Respondents maintained that they should not be held liable in this matter.

RELIEF REQUESTED

Claimant Virginia M. Garrison requested \$2,281.95 in actual damages, plus nine percent interest until paid, \$50.00 in arbitration fees, and reimbursement of miscellaneous expenses, with the total amount requested not exceeding \$5,000.00.

Respondents Smith Barney Shearson, Inc. and Daniel A. Petit requested that the Claimant's Statement of Claim be dismissed in its entirety.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single public arbitrator, Jule B. Greene, 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 December 21, 1993, by Respondent Smith Barney Shearson, Inc. on April 18, 1994, and by Respondent Daniel A. Petit on March 9, 1994.

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 Virginia M. Garrison against Respondents Smith Barney Shearson, Inc. and Daniel A. Petit are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

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AFFIRMATION

I, **JULE B. GREENE, ESQ.**, do hereby affirm upon my oath of arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATE OF DECISION: July 12, 1994