

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Edward H. Inge
Emily H. Inge

94-00474

Name of Respondent

Shearson Lehman Brothers, Inc. n/k/a Smith Barney, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 8, 1994, Claimants Edward H. and Emily H. Inge, who appeared Pro Se, alleged that Respondent Smith Barney, Inc. failed to notify them of termination of investment agreements under which they would have been able to sell their stock without being charged commission. The Claimants further alleged that they discovered commissions had been charged to them after having sold a majority of their stock, and that the Respondent should be held liable for the commission amounts in question.

Respondent Smith Barney, Inc., through its in-house counsel, Ellen Slipp, Esq., maintained that the Claimants had not been charged standard commissions, because the accounts were discretionary, but that once their broker, Raymond Norton, left the firm, the accounts were transferred to a retail broker, who did not have discretionary authority. The Respondent contended that the change in status is standard operating procedure and that because the accounts were not "terminated", but simply were not renewed at the start of the new term, there was no violation of any agreement.

RELIEF REQUESTED

Claimants Edward H. and Emily H. Inge requested \$3,832.28 in actual damages.

Respondent Smith Barney, Inc. requested that the claims of the Claimants be dismissed, or in the alternative, that damages be limited to \$508.54.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Guy R. Friddell, III, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on February 2, 1994 and by the Respondent on May 3, 1994.

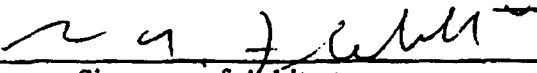
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Smith Barney, Inc. is liable and shall pay to Claimants Edward H. and Emily H. Inge \$1,610.46 in actual damages.
2. The parties shall bear their respective costs.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Edward H. & Emily H. Inge, shall be retained by the NASD, Inc. Respondent Smith Barney, Inc. is liable and shall pay \$62.50 to the Claimants as reimbursement of one-half of the filing fee.

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AFFIRMATION

I, **GUY R. FRIDDELL, III**, 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.



Signature of Arbitrator

DATE OF DECISION: October 31, 1994