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94-01064

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Cindy R. Davis

94-01064

Names of Respondents

Shearson Lehman Brothers, Inc.
Glenn Elliott Dropkin

REPRESENTATION

For Claimant, Cindy R. Davis ("Davis"): Don L. Horn, Esq. of Gallwey Curtis Vento & Horn P.A., Miami, Florida.

For Respondents, Shearson Lehman Hutton, Inc. ("Shearson") and Glenn Dropkin ("Dropkin"): Gavin S. Appleby, Esq. of Powell, Goldstein, Frazer & Murphy, Atlanta, Georgia.

CASE INFORMATION

Statement of Claim filed: 3/21/94.

Claimant's Submission Agreement signed on: 3/16/94.

A Joint Statement of Answer filed by Respondents, Shearson and Dropkin on: 6/22/94.

Respondent, Shearson's Submission Agreement/Corporate Acknowledgment signed on: 6/22/94 by Scott E. Kresch on behalf of the firm.

Respondent, Dropkin's Submission Agreement signed on: 6/22/94.

HEARING INFORMATION

Hearing Dates/Sessions:	6-13-95/one (1) session.
	1-30-96/two (2) sessions.
	1-31-96/two (2) sessions.
	2-01-96/two (2) sessions.
	2-02-96/one (1) session.
	3-25-96/two (2) sessions.
	3-26-96/two (2) sessions.

Hearing Location: Fort Lauderdale, Florida.

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CASE SUMMARY

Claimant alleged that Respondents, Shearson and Dropkin discriminated against Claimant on the basis of her race and/or sex in violation of the Civil rights Act. Claimant specifically alleged that she was subjected to disparate treatment while employed by Shearson and was terminated on account of her race and/or sex. Claimant further alleged that after she filed an employment discrimination charge with EEOC, Respondents retaliated against her by submitting false written reports with the NASD and NYSE alleging the theft of money from a client and by contacting Claimant's employer and falsely stating that Claimant had stolen money from a client. Claimant further alleged that statements and actions of Respondents were done notwithstanding the fact that they knew the information was false.

Respondents denied all allegations of wrongdoing contained in the Statement of Claim and maintained that a reduction-in-force occurred after the company filled the available seats in the consolidated office with financial consultants who were meeting Company expectations; that following application of the 175 rule, there were two seats left; that the company filled those seats with the two most promising producers among those who were either subject to the 175 rule and not producing 175 or who were not yet subject to the 175 rule; that both individuals chosen produced more than Davis. Respondents further stated that there were two exceptions to this otherwise straightforward analysis: Mr. Frank, who was allowed to remain on the payroll for a brief period but was not offered a seat so that he could qualify for enhanced retirement, and Mr. Ryan, who unbeknownst to Dropkin, was rehired in the Hallandale office so that he could retain the insurance he needed for his son who had cancer; that both of those men produced more than Davis, as did others who were nevertheless laid-off (including several white males); that, interestingly, this is not the first time Davis complained about being discriminated because of her race; that she did so at First Equity; that after her discharge, Davis was accused by a client, Oscar Fonseca, of misappropriating funds; that the company reported the allegation to the appropriate authorities as required by NYSE and NASD regulations; that of this the Company had no choice.

RELIEF REQUESTED

Claimant requested entry of an award against Respondents for lost wages and reinstatement of her former position; compensatory damages, including damages for pain and suffering; punitive damages; and injunctive and declaratory relief; damages in excess of \$500,000.00; plus costs, attorneys' fees and such other relief as the Arbitrators deem just and proper.

Respondents requested that the Claims of race and sex discrimination, and retaliation be dismissed in their entirety.

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.

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AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents, Shearson and Dropkin, are found liable for having discriminated against Claimant on the basis of her race, and, the firm, Shearson, shall pay to Claimant damages in the amount of \$106,718.00 including attorneys' fees and costs pursuant to 42 U.S.C. Section 2000e-5(k).
2. Respondent, Shearson, is further found liable for retaliatory actions against Claimant and shall pay to Claimant the additional amount of \$60,000.00 including attorneys' fees and costs pursuant to 42 U.S.C. Section 2000e-5(k).
3. Respondent, Dropkin, is also found liable for retaliatory actions against Claimant and shall pay to Claimant the amount of \$120,000.00, including attorneys' fees and costs pursuant to 42 U.S.C. Section 2000e-5(K).
4. Claimant's request for punitive damages is denied.
5. All other claims are hereby denied.

OTHER COSTS

The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the Panel has assessed Forum Fees in the amount of \$12,000.00 (twelve (12) hearing sessions X \$1,000.00).

1. Respondent, Shearson, is hereby assessed Forum fees in the amount of \$9,000.00. less \$3,500.00, previously deposited by Respondents, leaving a balance due to the NASD of \$5,500.00, \$1,000.00 of which shall be paid directly to Claimant and the remaining balance of \$4,500.00 shall be paid to the NASD, Inc.
2. Respondent, Dropkin, shall pay Forum Fees in the amount of \$3,000.00.
3. The NASD shall retain the non-refundable filing fee of \$500.00 and the hearing session deposit of \$1,000.00 previously deposited by the Claimant.
4. Respondent, Shearson, shall pay directly to Claimant \$500.00 for the non-refundable filing fee.

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5. Respondent, Shearson, shall pay to the NASD the surcharge of \$200.00.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATION PANEL

Concurring Arbitrators' Signatures

/s/

Stan West, Esq.

Public/Chairman

/s/

Robert S. Natiss

Industry/Panelist

/s/

Melvin Jarolem

Public/Panelist

Date of Decision: April 29, 1996

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