

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Pauline J. Watson

94-02194

Name of Respondent(s)

Smith Barney, Harris Upham & Co., Inc.
Joseph R. Kelley

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on June 10, 1994, Claimant Pauline J. Watson, who appeared Pro Se, alleged that Respondents Smith Barney, Harris Upham & Co. Inc., ("Smith Barney") and Joseph R. Kelley ("Kelley"), placed her money in an investment which was not appropriate for her. Claimant further alleged that she moved her IRA to Respondent Smith Barney in 1988. Claimant contended that she asked Respondent Kelley to put her money into relatively safe investments, preferably utilities with a dividend. Claimant further contended that Kelly called her on three occasions to recommend Nortankers, Inc., stating that it was down in value and presented a good buying opportunity. Claimant alleged that she subsequently purchased 225 shares of Nortankers, Inc., which lost all of their value. As a result of the above, Claimant alleged that she has suffered a loss for which the Respondents should be held liable.

Respondents Smith Barney, Harris Upham & Co., Inc., and Joseph R. Kelley, through their representative, Ellen Slipp, Esq., in-house counsel for Smith Barney, Harris Upham & Co., Inc., maintained that they at all times acted in Claimant's best interest in recommending securities that were consistent with her stated investment objectives of "income" and "growth". Respondents further maintained that during the time that Claimant maintained her investment in Nortankers, Kelley frequently provided her with copies of Smith Barney research reports and news articles relating to Nortankers. Respondents contended that Claimant received and reviewed monthly account statements and telephoned Kelley in order to discuss her account. Respondents further contended that any decline in Nortanker's market value was due entirely to market conditions beyond Respondent's control. As a result of the above, Respondents maintained that they should not be held liable.

RELIEF REQUESTED

Claimant, Pauline J. Watson, requested \$3,078.50 in actual damages plus costs and interest.

Respondents, Smith Barney, Harris Upham & Co., Inc. and Joseph R. Kelley, requested that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, John G. Deckard, Esq, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Pauline J. Watson, on February 22, 1994 and by the Respondent, Joseph R. Kelley, on September 30, 1994, and by Respondent Smith Barney, Harris Upham & Co., Inc., on October 18, 1994.

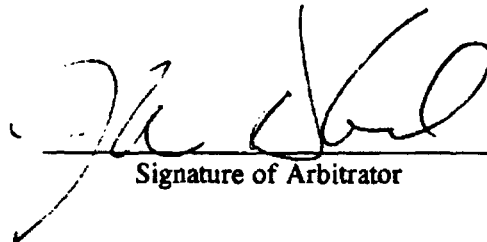
And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimant, Pauline J. Watson, against the Respondents, Smith Barney, Harris Upham & Co., Inc., and Joseph R. Kelly, are dismissed in their entirety.
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 Claimant Pauline J. Watson, shall be retained by the NASD, Inc.

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AFFIRMATION

I, **JOHN DECKARD**, 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:

December 29, 1995