

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Lucille G. Naef

NASD Arbitration
No. 95-00412

Name of Respondent(s)

Smith Barney Shearson Inc.
Wallace Sheehan

REPRESENTATION

For Claimant: Robert B. Gray, Esq., Oakland, California

For Respondents: Ann Parry, Esq., Smith Barney Inc., New York, New York

CASE INFORMATION

Statement of Claim filed: January 26, 1995

Claimant's Submission Agreement, filed January 26, 1995, was signed but not dated.

Statement of Answer filed by Respondent: May 18, 1995

Respondents' Submission Agreements signed as follows:

Smith Barney Inc. (also known as Smith Barney Shearson Inc.):
June 19, 1995

William W. Sheehan, Jr. (also known as Wallace Sheehan): May
17, 1995

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s): None

Hearing Date(s)/Session(s): November 15, 1995 (two sessions)

Hearing Location: San Francisco, California

CASE SUMMARY

Claimant alleged that Respondents failed to know their customer with respect to various investments made in Claimant's account. Claimant further alleged that the series of transactions in dispute were contrary to the established investment pattern of Claimant.

Respondents denied any liability to Claimant and denied that Ms. Naef's account was mishandled in any way. Respondents alleged that the recommendations made by Mr. Sheehan during the time period in dispute, were made in Ms. Naef's best interests based upon industry conditions and on Smith Barney's firm research. Respondents also asserted affirmative defenses.

RELIEF REQUESTED

Claimant requested damages in the amount of \$14,739.53 and requested costs.

Respondents requested dismissal of Claimant's claims and requested costs.

OTHER ISSUES CONSIDERED AND DECIDED

None.

AWARD

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

1. All claims by Claimant, including any claim for punitive damages, are dismissed.

2. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall refund the \$300.00 hearing session deposit previously deposited by the Claimant. Forum fees are assessed against Respondent Smith Barney Shearson Inc., solely, in the amount of \$600.00, calculated as follows: Two hearing sessions times \$300.00/session.

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


PRESIDING ARBITRATOR

Name _____ Public / Industry _____

John B. Reilley, Esq.

Public Arbitrator

Presiding Arbitrator's Signature


John B. Reilley Esq.

Date of Decision: _____