

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Alyson B. Katz

95-01999

Name of Respondents

Shearson Lehman Hutton, Inc.  
n/k/a Smith Barney, Inc.  
Rheta W. Raven n/k/a the Estate of  
Rheta W. Raven

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on April 26, 1995, Claimant Alyson B. Katz ("Claimant"), who appeared Pro Se, alleged that Respondents Shearson Lehman Hutton, Inc., n/k/a Smith Barney, Inc. ("SB"), and Rheta W. Raven n/k/a the Estate of Rheta W. Raven ("Raven"), recommended that she purchase Rapid-American Bond ("Bond") which she did to her detriment. Claimant further alleged that she informed Raven that she wanted conservative investments and that Raven misled her into believing the Bond was a safe investment. Claimant contended that she expressed concerns about the Bond when it began decline in value and that Raven told her to "be patient." Claimant further contended that the company went into bankruptcy, and that as a result of the above, she has suffered a loss for which the Respondents should be held liable.

Respondent Shearson Lehman Hutton, Inc., n/k/a Smith Barney, Inc. through its representative and in-house counsel, Ellen Slipp, Esq., located in New York, NY, maintained that the Rapid American recommendation was consistent with Claimant's investment objectives, as is evidenced by her SBHU New Account application. Respondent further maintained that Claimant found the investment unsuitable after it stopped paying interest into her account. Respondent contended that the Bonds were suitable at the time they were recommended and that Claimant was aware of the status of the Bonds at all times. Respondent further contended that Claimant chose not to liquidate the Bonds despite bad performance. Respondent maintained that as a result of the above, it should not be held liable.

Respondent Rheta W. Raven n/k/a the Estate of Rheta W. Raven, through its representative and counsel, Wayne A. Cypen, Esq., of Cypen and Cypen, located in Miami Beach, FL, maintained that the purported claim of the Claimant is barred inasmuch as no timely claim was filed in the estate pursuant to Section 733.702 Florida Statutes. Respondent further maintained that the Notice of Administration was first published on October 14, 1994, and thus the time for filing a claim in the Estate expired on January 14, 1995. Respondent contended that as a result of the above, it should not be held liable.

**RELIEF REQUESTED**

Claimant Alyson B. Katz, requested \$8,000.00 in actual damages.

Respondents Shearson Lehman Hutton, Inc., n/k/a Smith Barney, Inc. and Rheta W. Raven n/k/a the Estate of Rheta W. Raven, 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, Michael E. Curan, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Alyson B. Katz, on April 18, 1995, and not by the Respondent Shearson Lehman Hutton, Inc. n/k/a Smith Barney, Inc., as required by Sections 12 and 13 of the NASD Code of Arbitration Procedure.

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 Alyson B. Katz, against Respondents Shearson Lehman Hutton, Inc. n/k/a Smith Barney, Inc. and Rheta W. Raven n/k/a the Estate of Rheta W. Raven, are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. All other relief requests are denied.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Alyson B. Katz, shall be retained by the NASD, Inc.

**AFFIRMATION**

I, MICHAEL E. CURAN, ESQ., 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.

  
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Michael E. Curan, Esq.

DATE OF DECISION: October 30, 1995