

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Lee Kaplan

95-04231

Name of Respondent

Smith Barney Shearson, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on September 6, 1995 Claimant Lee Kaplan ("Claimant"), who appeared Pro Se, alleged that he held account #576-57562 with Respondent Smith Barney Shearson, Inc., and that his account executive Barry Davis recommended that he invest in Florida HFA Municipal Bonds ("FHMB") which were a no credit risk. Claimant further alleged that he followed that advice and purchased \$25,000 of FHMB Bonds to his detriment. Claimant contended that Respondent misrepresented this security and failed to inform him that the property underlying the bonds was going into default. Claimant further contended that as a result of the above, he has suffered a loss for which Respondent should be held liable. Respondent has suffered a loss for

Respondent Smith Barney Shearson, Inc. through its representative and in-house counsel, Ann Parry, Esq., maintained that Claimant is an experienced investor with at least 15 years experience in purchasing municipal bonds. Respondent further maintained that Davis discussed FHMB with Claimant prior to his purchase and that he was satisfied and enacted the purchase. Respondent contended that due to unforeseen problems the bonds defaulted. Respondent further contended that Davis never assured or guaranteed these bonds in any way and that as a result of the above, it should not be held liable.

RELIEF REQUESTED

Claimant Lee Kaplan, requested \$8614.00 in actual damages.

Respondent Smith Barney Shearson, Inc., 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, Saul Epton, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Lee Kaplan, on August 4, 1995 and by the Respondent Smith Barney Shearson, Inc., on November 3, 1995.

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 Lee Kaplan, against Respondent Smith Barney Shearson, Inc., are denied in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Lee Kaplan, shall be retained by the NASD, Inc.

AFFIRMATION

I, SAUL EPTON, 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.

DATE OF DECISION: March 14, 1996