

NASD REGULATION, INC. AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimants

Dr. David J. Elbaum & Sherry F. Elbaum as Trustees of the Dr. David J. Elbaum Profit
Sharing Trust U/A/D 12/23/88 and U/A/D 7/24/93 FBO Dr. David J. and Sherry F.
Elbaum

v.

Arbitration No.
95-05922

Name of Respondents

Smith Barney, Inc., Lance A. Horton and Jeffrey Glover

REPRESENTATION

For Claimants:

John E. Ohashi, Esq.
Mark S. Priver, Esq.
Ohashi & Priver
Pasadena, California

For Respondents:

Sean J. Coughlin, Esq.
Smith Barney, Inc.
New York, New York

CASE INFORMATION

Statement of Claim filed:

December 15, 1995

Claimants' Submission Agreements signed:

December 6, 1995

Statement of Answer filed by Respondents:

August 6, 1996

HEARING INFORMATION

Pre-Hearing Conference Dates/Sessions: January 20, 1997 (1 session)

Hearing Dates/Sessions: October 22, 1997 (2 sessions)
October 23, 1997 (2 sessions)
October 24, 1997 (1 session)
April 21, 1997 (2 sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants alleged that Respondent Horton negligently and/or deliberately misled Claimants regarding options trading. Specifically, Claimants alleged that Respondent Horton's flawed advice grossly mismatched holdings of EMC stock, put and call positions, causing substantial losses in Claimants' account. Additionally, Claimants alleged failure to supervise and breach of fiduciary duty against Respondents Glover and Smith Barney, Inc.

Respondents denied Claimants' claims in their entirety, asserting that Claimants were never misled and that all risks were disclosed prior to Claimants making any investment decisions.

RELIEF REQUESTED

Claimants sought \$72,264.00 in compensatory damages, interest, costs of the arbitration and such other relief as the arbitrators may determine.

Respondents sought dismissal of Claimants' Statement of Claim, expungement of Respondents Glover and Horton's CRD records, costs and attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in either 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 original remains on file with the NASD Regulation, Inc., Office of Dispute Resolution.

AWARD

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

1. Claimants' claims are denied in their entirety.
2. Any mention of this arbitration proceeding shall be expunged from the CRD records of Respondents Lance Horton and Jeffrey Glover.
3. Each party shall bear their own costs, including attorney's fees.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

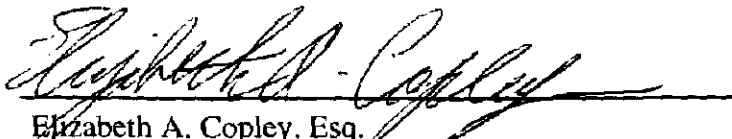
One (1) Full-Panel Pre-Hearing Conference @ \$500.00/Conference	= \$ 500.00
<u>Seven (7) Hearing Sessions @ \$500.00/Session</u>	<u>= \$3,500.00</u>
Total Forum Fees Assessed	= \$4,000.00
 Claimants' One-Half Assessment	 = \$2,000.00
<u>Credit for Hearing Session Deposit</u>	<u>= (\$500.00)</u>
Claimants' Balance Due	= \$1,500.00
 Respondent Smith Barney, Inc.'s One-Half Assessment	 = \$2,000.00

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name.....</u>	<u>Arbitrators</u>
Elizabeth A. Copley, Esq.	Public Arbitrator
William A. Scott	Industry Arbitrator
John H. St. Denis	Public Arbitrator

Concurring Arbitrators' Signatures


Elizabeth A. Copley, Esq.

William A. Scott

John H. St. Denis

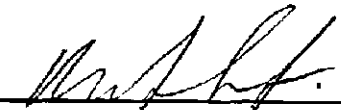
Date of Service: 5/6/98

ARBITRATORS

<u>Name</u>	<u>Arbitrators</u>
Elizabeth A. Copley, Esq.	Public Arbitrator
William A. Scott	Industry Arbitrator
John H. St. Denis	Public Arbitrator

Concurring Arbitrators' Signatures

Elizabeth A. Copley, Esq.



William A. Scott

John H. St. Denis

Date of Service: 5/6/98

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Concurring Arbitrators' Signatures

Elizabeth A. Copley, Esq.

William A. Scott



John H. St. Denis

Date of Service: 6 May 98