

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Cassandra P. Wells TTEE

96-01487

Name of Respondent

Thomas H. Seabron

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on April 4, 1996, claimant Cassandra P. Wells as Trustee for the Cassandra P. Wells Remainder Unitrust ("claimant"), who appeared Pro Se, alleged that respondent Thomas H. Seabron ("respondent"), an employee of Smith Barney, mishandled her account. Claimant further alleged that in April of 1995, respondent did not respond timely in forwarding money so she could pay account related capital gains taxes for calendar year 1994. Claimant also alleged that, although she made multiple requests months in advance, she did not receive the funds and was therefore assessed penalties by the Internal Revenue Service. Claimant contended that in 1995, she was looking for a car to purchase and that respondent recommended a Chrysler dealership in Norwalk, OH. Claimant further contended that she followed his advice and purchased a car and that it had wheel calibration problems resulting in repair bills. Claimant also contended that she was misled to open a margin account at respondent's request and was consequently assessed margin account charges without prior approval. Claimant asserted that she was wrongly charged account transfer fees when she moved her accounts from Smith Barney. Claimant further asserted that as a result of the above, she has suffered losses for which the respondent should be held liable.

Respondent Thomas Seabron who appeared through his representative and in-house counsel at Smith Barney, Ann Parry, Esq., maintained that claimant provided no factual allegations to support her claims. Respondent further maintained that on January 13, 1995, claimant received a \$58,300.00 check from Smith Barney which she deposited in a bank and thereafter wrote a \$45,000.00 bank check to the IRS which was later returned for insufficient funds. Respondent also maintained that as a result of claimant's overdraw she was assessed a late payment fee. Respondent contended that on April 12 and 13, claimant insisted that she receive cash from her margin account with full knowledge that she would be assessed interest charges. Respondent

further contended that claimant subsequently sold shares of Franklin Tax Free Trust (the "Trust") to cover the loan amount. Respondent also contended that in May of 1995, claimant withdrew \$10,000.00 and incurred additional interest charges in her margin account. Respondent asserted that additional shares of the Trust were sold to cover the loan. Respondent further asserted that as a result of the above, he should not be held liable.

RELIEF REQUESTED

Claimant Cassandra P. Wells as Trustee for the Cassandra P. Wells Remainder Unitrust requested \$900.00 dishonored check penalty, \$395.44 late payment penalty, \$149.62 margin account interest, \$200.00 transfer of account fee and \$200.00 wheel calibration for her car.

Respondent Thomas Seabron requested that the claims be dismissed in their entirety and that he be reimbursed costs.

OTHER ISSUES CONSIDERED AND DECIDED

The arbitrator considered and reviewed all documentation submitted by the parties concerning respondent's Motion to Dismiss certain claims for lack of jurisdiction. Respondent asserted that claims which fall outside the scope of the arbitration agreement are: 1) the wheel calibration, 2) his alleged role in the establishment of a charitable remainder trust, and, 3) the purchase of Harrah's Entertainment stock in a non Smith Barney account. The arbitrator denied the motion.

AWARD

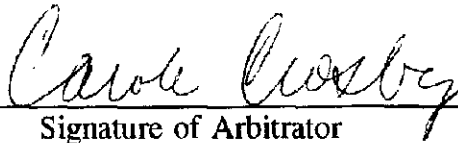
Pursuant to Section 1032 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Carole M. Crosby, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the claimant on May 31, 1996, and by respondent on July 25, 1996.

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. Respondent Thomas Seabron is liable and shall pay to the claimant Cassandra P. Wells as Trustee for the Cassandra P. Wells Remainder Unitrust \$1,600.00 in actual damages.
2. The parties shall bear their respective costs and attorneys fees.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent Thomas Seabron is liable and shall pay to the claimant \$50.00 as reimbursement of the filing fee.
4. All other relief requests are denied.

AFFIRMATION

I, Carole M. Crosby, 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.


Signature of Arbitrator

DATE OF DECISION: December 6, 1996