

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Sybil Kohn

96-03127

Name of Respondents

Smith Barney Inc.
Norman Klein

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 16, 1996, claimant Sybil Kohn ("Kohn"), through her representative Bruce R. Safran, Esq., a sole practitioner located in Tarzana, California, alleged that although she subscribed to Money Magazine and various financial newsletters, she was an unsophisticated and inexperienced investor. Kohn averred that in 1991 she inherited a securities account located at Shearson Lehman and at the time her broker was Ron Tolle ("Tolle"). In addition, claimant alleged that after Tolle left Shearson Lehman, her account was assigned to respondent Norman Klein ("Klein"). According to Kohn, Klein never inquired into her financial situation, needs or objectives.

Claimant maintained that on or about April 19, 1994 she purchased 400 shares of Cisco stock at \$32 per share. Kohn further contended that on July 6, 1995 Klein recommended that she sell her shares of Cisco and realize the gain earned even though the shares were increasing in value. In addition, claimant averred that after the shares were sold the price of Cisco continued to rise and, therefore, she contacted Klein and requested that he repurchase the sold shares. However, claimant maintained that because he did not believe that Cisco was a good investment Klein refused to execute this order. Further, Kohn alleged that after Klein refused a second request to repurchase the shares, she contacted the branch manager, Nelson Lewellyn ("Lewellyn"). According to claimant, although Lewellyn agreed to execute the order, he failed to follow through and instead transferred her account to another broker, James Dugan ("Dugan"). Claimant contended that Dugan also refused to execute the order and thus the shares were never purchased.

Respondents Smith Barney, Inc. ("Smith Barney") and Klein maintained that claimant was an experienced investor, who maintained accounts at several brokerage firms and subscribed to financial periodicals. In addition, respondents contended that, upon inheriting claimant's account, Klein reviewed Kohn's holdings and telephoned her in order to update her New Account application. According to respondents, in May, 1995 Klein specifically asked claimant whether she had a target price at which she wanted to sell her Cisco shares. Respondents further maintained that based upon claimant's reply that she wanted to sell the stock at a minimum of \$46.00 per share, Klein contacted claimant when the per share price of Cisco reached \$51.00, and indicated that she might want to sell her shares in order to realize the profit she

sought. According to respondents, on June 30, 1995 claimant instructed Klein to sell her remaining 400 shares of Cisco at \$50.125 per share. Subsequently, as alleged by respondents, claimant contacted Klein and complained about the Cisco sale because the share price continued to increase. Respondents maintained, however, that Kohn never instructed Klein to repurchase the shares. In addition, respondents deny that claimant ever instructed Lewellyn or Dugan to repurchase the Cisco shares. Moreover, respondents alleged that both Lewellyn and Dugan offered to repurchase the Cisco shares at the prevailing market prices but, claimant refused.

RELIEF REQUESTED

Claimant Sybil Kohn requested \$10,000 in actual damages, plus the return of all commissions. In addition, claimant requested attorneys's fees, interest, costs and disbursements, and for such other and further relief as may be deemed appropriate.

Respondents Smith Barney, Inc. and Norman Klein requested that the claim submitted by claimant Sybil Kohn be dismissed in its entirety.

AWARD

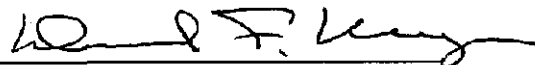
Pursuant to Rule 10302 of the NASD Regulation, Inc. Code of Arbitration Procedure, a single Public Arbitrator, David F. Morgan, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on July 11, 1996, by respondent Smith Barney, Inc. on September 4, 1996 and by respondent Norman Klein on August 6, 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. The claims of claimant Sybil Kohn against respondents Smith Barney, Inc. and Norman Klein are dismissed in their entirety.
2. All other relief requests are denied.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers Regulation, Inc. by claimant Sybil Kohn shall be retained by the NASD Regulation, Inc.

AFFIRMATION

I, David F. Morgan, 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: January 14, 1997