

NASD REGULATION AWARD

NASD REGULATION, INC.

In the Matter of the Arbitration Between

Name of Claimants

Mae and Elaine Beth Leass

96-04688

Name of Respondents

Smith Barney Inc.
Gerard Rubsam

REPRESENTATION

Claimants Mae and Elaine Beth Leass ("Claimants"), appeared pro-se.

For Respondent, Smith Barney Inc. ("Smith Barney") and Gerard Rubsam ("Rubsam") (collectively the "Respondents") appeared Ann Parry, Esq., in-house-counsel located in New York, New York.

CASE INFORMATION

Statement of Claim filed: October 21, 1996.

Claimant's Submission Agreement signed on: October 11, 1996.

Joint Statement of Answer filed by Respondents on: December 11, 1996.

Respondent Smith Barney's Submission Agreement signed on: December 10, 1996.

Respondent Rubsam's Submission Agreement signed on: January 8, 1997.

HEARING INFORMATION

Hearing dates/sessions: April 1, 1997 - One Session

The hearings were held at the offices of NASD Regulation, Inc., located in New York City, New York.

CASE SUMMARY

Claimants alleged that, on April 12, 1995, Mae Leass purchased from the Respondents \$50,000.00 worth of New York State Housing Finance Agency Urban Rent bonds at a price quoted by the Respondents of \$97.817 per bond. Claimants further alleged that, when Mae Leass went to pay for the bonds on April 19, 1995, Respondents charged her \$100.00 per bond causing her to make a \$1095.50 overpayment to the Respondents. Claimant also alleged that when she received her statement at the end of April 1995 the price for the bonds was listed as \$97.871 and on later statements the price was \$100.00.

Respondents maintained that Mae Leass had been investing in bonds since 1960 and always knew the exact price she purchased bonds at. Respondents further maintained that, on April 12, 1995, she purchased 50 bonds at \$100 per bond. Respondents also maintained that, by April 30, 1995, the day of the statement, the bonds had decreased in value to \$97.871. Respondents contended that it is highly unlikely that the broker, who sold Mae Leass the bonds on April 12, 1995, could have quoted to three decimal points the price the bonds would have been worth on April 30, 1995. Respondents further contended that Mae did not complain about the price of the bonds until over a year later on May 8, 1996.

RELIEF REQUESTED

Claimants requested \$1,095.50 plus fees of \$50.00.

Respondents requested Claimants' claims be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in 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 originals remain on file with the NASD.

AWARD

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

1. Respondents Smith Barney Inc. and Gerard Rubsam be and hereby are jointly and severally liable and shall pay to the Claimants Mae and Elaine Beth Leass \$1,095.50.
2. All other requests for relief are denied.
3. Each party shall bear their respective costs.

FORUM FEES

Pursuant to Rule 10332 of the Code of Arbitration Procedure, the arbitrator has determined that NASD Regulation, Inc. shall retain the \$25.00 non-refundable filing fee previously deposited by the Claimants and have assessed the following forum fees:

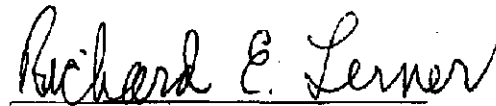
1 Hearing Sessions x \$25.00	= \$25.00
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Respondents, Smith Barney Inc. and Gerard Rubsam are jointly and severally liable for \$25.00 representing the forum fees assessed. Therefore Respondents, Smith Barney Inc. and Gerard Rubsam, shall pay to NASD Regulation, Inc. the sum of \$25.00.

Fees are payable to NASD Regulation, Inc.

ARBITRATOR'S SIGNATURE

I, Richard E. Lerner, Esq, do hereby affirm, pursuant to article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

Handwritten signature of Richard E. Lerner in cursive script.

Richard E. Lerner, Esq

Date of Decision: May 22, 1997