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AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.

In the Matter of the Arbitration Between

Names of Claimants

Margie & Danielle Weinberg

96-05006

Name of Respondent

Smith Barney, Inc.

REPRESENTATION

For Claimants Margie & Danielle Weinberg ("the Weinbergs"): Michael G. Shannon, Esq. of Wallace, Bauman, Fodiman & Shannon, P.A., Coral Gables, Florida.

For Respondent Smith Barney, Inc. ("Smith Barney"): Linda R. Alpert, Esq. of Smith Barney, Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed: November 8, 1996.

Claimants' Submission Agreements signed: October 30, 1996.

Statement of Answer filed by Respondent: February 4, 1997.

Respondent's Submission Agreement/Corporate Acknowledgment signed: February 4, 1997 by Linda R. Alpert on behalf of Smith Barney.

HEARING INFORMATION

On March 3, 1997 a telephonic pre hearing conference was conducted with the panel.

On May 29, 1997 a second telephonic pre hearing conference was conducted with the Chairperson.

On July 10 and 15, 1997 hearings lasting four sessions were conducted in Fort Lauderdale, Florida.

CASE SUMMARY

Claimants alleged that Respondent's representatives solicited them to open an account with Smith Barney with unwarranted and unqualified assurances of profitability and that they prevailed upon the Claimants to engage in numerous transactions involving a stock known as Integrated Devise Technology, Inc. ("IDTI") and to open and maintain a margin account which was totally unsuitable for Claimants given their age, investment experience and investment objectives. Claimants further alleged that on at least one occasion Respondent's agents failed to follow the instruction of one of the Claimants, which constituted a breach of fiduciary obligation owed to the Claimants.

Respondent denied all allegations of wrongdoing contained in the Statement of Claim and maintained that the trades in IDTI met the Claimants' overall risk parameters and were suitable in light of their investment objectives and substantial net worth. Respondent further maintained that Claimants understood the risks of investing in the stock market; that Claimants' losses in IDTI were due to market forces beyond Smith Barney's control rather than any wrongdoing by the firm; that Smith Barney made no misrepresentations and did not guarantee profitability; that Claimants authorized and/or ratified all trades; that Claimants failed to mitigate their alleged losses; and, that Claimants failed to account for profits earned and dividends received on other stocks. Respondent contended that Claimants' interest in aggressive trading is further demonstrated by the fact that after leaving Smith Barney, Claimants engaged in active and aggressive stock trading at Prudential Securities, Inc.

RELIEF REQUESTED

Claimants requested damages in the amount of \$60,000.00 plus pre-judgment interest, expert witness fees in the amount of \$4,000.00, costs in the amount of \$2,345.82, and attorneys' fees as provided by Florida law.

Respondent requested that the Statement of claim be dismissed in its entirety and that the costs and disbursements associated with this matter be assessed against the Claimants.

OTHER ISSUES CONSIDERED & 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 NASD Regulation, Inc.

AWARD

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

1. Respondent is found not liable and, therefore, all claims against it (other than the Claimants' requests for costs and expert witness fees addressed below) are hereby dismissed.

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2. Respondent Smith Barney shall pay to the Claimants the sum of \$6,345.82 which is comprised of Claimants' costs in the amount of \$2,345.82 and Claimants' expert witness fees of \$4,000.00.
3. Claimants' requests for pre-judgment interest and attorneys' fees are denied.
4. Respondent's requests for costs and disbursements are denied.

FORUM FEES

Pursuant to Rule 10332 of the Code of Arbitration Procedure ("Code"), the panel has assessed forum fees in the amount of \$2,800.00 (four (4) hearing sessions x \$500.00 + one (1) pre hearing conference with the full panel x \$500.00 + one pre hearing conference with the Chairperson x \$300.00).

1. Respondent Smith Barney is assessed forum fees in the amount of \$2,300.00 payable to NASD Regulation, Inc.
2. Claimants are assessed forum fees, jointly and severally, in the amount of \$500.00 for which NASD Regulation, Inc. shall retain the \$500.00 previously deposited by Claimants, NASD Regulation, Inc. in full satisfaction thereof.
3. NASD Regulation, Inc. shall retain the claim filing fee of \$150.00 paid by the Claimants, NASD Regulation, Inc.
4. NASD Regulation, Inc. shall retain the member surcharge of \$300.00 paid by the Respondent, pursuant to Rule 10333 of the Code.

Fees are payable to the National Association of Securities Dealers Regulation, Inc.

ARBITRATION PANEL

Concurring Arbitrators' Signatures

/s/

Casey W. Mills, Esq.

Public/Chair

/s/

Elena G. Rodriguez

Public/Panelist

/s/

Alvin Spier

Industry/Panelist

Date of Decision: August 5, 1997