

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between :
: :
Robert M. and Sandra W. MacLeod : AWARD
: :
Claimants : #87-02724
vs. :
: :
Robert C. Carr & Co., Inc. :
Robert Daniels :
Respondents :
: :

Case Summary

On January 4, 1990, the Claimants Robert M. and Sandra W. MacLeod (hereinafter "Claimants") alleged that Respondents Robert C. Carr & Co., Inc. (hereinafter "Robert Carr") and Robert Daniels (hereinafter "Daniels") breached their fiduciary duty owed to the Claimants. Claimants alleged that Daniels recommended that Claimants invested in Damson Oil and Gas Income Fund and that this investment advice was unsuitable for the Claimants. Claimants alleged that Respondents failed to adequately advise the Claimants of the risks inherent in their investment. Claimants alleged that Respondents fraudulently failed to make a complete and full disclosure of the Damson investment.

Respondents Robert Carr and Daniels maintained that at the time Daniels recommended Damson Oil and Gas Income Fund it was a suitable investment for the Claimants. Respondents maintained that Claimants met the suitability requirements to participate in the Damson Fund. Respondents maintained that Claimants were fully informed of all risks; that Claimants read the Damson Prospectus and that Claimants executed the signature page for the Subscription Agreement that included certain warranties, covenants, agreements and representations. Respondents maintained that they cannot be blame for the disappointing performance of Damson.

Relief Requested

Claimants requested compensatory damages in the amount of \$37,836.28, treble damages under The Consumer Protection Act as well as attorney fees.

Respondents requested that Claimant's claim be dismissed and that costs of this proceeding be awarded against Claimants.

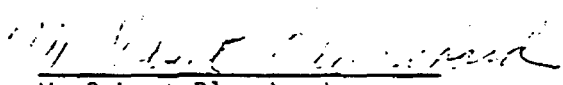
Award

On January 4, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Sandra W. MacLeod on December 11, 1987, by Claimant Robert M. MacLeod on December 15, 1987, and Respondent Robert C. Carr & Co., Inc., Division of Hopper Soliday & Co., Inc. executed a Submission Agreement on April 7, 1988. Robert Daniels did not execute a Submission Agreement, however, he was represented by counsel at the hearing and submitted an Answer. Pursuant to Section 12(a) of the Code of Arbitration Procedure, the arbitration panel exercised its jurisdiction over the Respondent Robert Daniels. The initial claim was filed on December 21, 1987. The arbitrators, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. That the Respondents are jointly and severally liable to the Claimants and shall pay the Claimants the sum of \$35,000.00 (which reflects an award of \$26,000.00 plus interest at 7% from December 31, 1984 to December 31, 1989).
2. That the Claimants shall return to Respondents the 845 shares of Damson Oil and Gas Class A units; such that Robert C. Carr & Co., Inc. Division of Hopper Soliday, Inc is the rightful owner of the 845 shares of Damson Oil and Gas.
3. The parties shall each bear their respective costs including attorney fees.
4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the \$400.00 filing fee previously deposited by the Claimant. Pursuant to Section 43 of the Code of Arbitration Procedure, forum fees for the double session hearing held on January 4, 1990 shall be assessed against Respondent Robert C. Carr & Co., Inc., such that Robert C. Carr & Co., Inc. shall pay forum fees to the NASD, Inc. in the amount of \$800.00.

CONCURRING ARBITRATORS

Gene Ann Condon


M. Robert Blanchard

Stephen Kende

CONCURRING ARBITRATORS

Gene Ann Condon

M. Robert Blanchard

Stephen Kende

Stephen Kende

STATE OF Vermont
COUNTY OF Ch. Hendon

At Burlington in said County, this 22nd day of January, 1990,
personally appeared Stephen G. Kende, and he/she acknowledged this
instrument by him/her sealed and subscribed, to be his/her free act and
deed.

Before me K. D. [Signature]
Notary Public

My commission expires: 2/91