

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Kenelm and Jane Guinness

Claimants

vs.

Ferris & Company, Inc.
Royce Cohen

Respondents

CASE #88-00810
AWARD

CASE SUMMARY

Claimants Kenelm and Jane Guinness alleged that Respondents Ferris & Company, Inc. and their former broker, Ms. Royce Cohen placed Claimants in unsuitable real estate and oil and gas tax shelter investments. Claimants alleged that they had no expertise in tax shelters. Claimants alleged that they were not advised of the risks inherent in their investments. Respondents maintained that the Claimants were sophisticated investors and that the tax shelters were suitable for them. Respondents alleged that Claimants' claim are barred by all applicable statutes of limitation and requested dismissal of the Claimants' claims pursuant to Section 15 and 16 of the Code of Arbitration Procedure. Respondents asserted a counterclaim against the Claimants and alleged that Claimants claims lacked any legal basis and that such claims were barred by applicable statutes of limitation.

RELIEF REQUESTED

Claimants requested damages in the amount of \$115,000.00, attorney's fees and costs. Respondents made a motion pursuant to Section 16 and requested that the arbitrators dismiss Claimants' claim. Respondents requested that the Panel assess costs, fees and expenses against the Claimants.

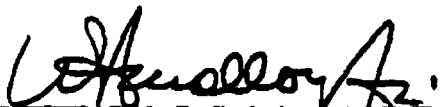
AWARD

On April 12th, May 22nd and 23rd 1989, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants Kenelm and Jane Guinness on March 11th, 1988, and by Respondent Ferris & Company, Inc. on June 15th, 1988 and by Respondent Royce Cohen on September 9th, 1988. The arbitration panel, 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:


DATED: August 10, 1989

1. That all claims submitted by Claimants are time barred in accordance with the Maryland Statute of Limitation as made applicable by Sections 15 and 16 of the Code of Arbitration Procedure as promulgated by the National Association of Securities Dealers, Inc.
2. That Respondents' counterclaim to assess all cost, fees and expenses against the Claimants is denied.
3. The parties shall each bear their respective costs including attorney's fees.
4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall assess forum fees for the single session arbitration held on April 12th, 1989 against the Claimants. Forum fees for the May 22th and May 23rd, 1989 double hearing sessions shall be assessed against the Claimants and Respondents as follows: the amount due against the Claimants as a forum fee is \$1,250.00, however, Claimants are entitled to use their filing fee of \$750.00 to offset this forum fee such that the amount due from the Claimants as a forum fee is \$500.00, the amount due from Respondent Ferris & Company, Inc. as a forum fee is \$500.00, and the amount due from Respondent Royce Cohen as a forum fee is \$500.00. Forum fees shall be made payable to the National Association of Securities Dealers, Inc.

ARBITRATORS CONCURRING



William H. Malloy, Jr.



Stephen E. Crable



Judith A. W. Ferris