

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

Robert L. Schneider and
Barbara Schneider :

Claimants :

Case #88-03551

vs. :

AWARD

Shearson Lehman Hutton, Inc.
and Sheryl Steinhart :

Respondents :

CASE SUMMARY

In a case filed with the National Association of Securities Dealers, Inc. on November 14, 1988 Claimants, Robert L. and Barbara Schneider alleged Respondents invested their funds into a real estate limited partnership which was a completely unsuitable investment for Claimants and misrepresented to them the interest payments they would receive and Claimants relied on these misrepresentations to their detriment. Respondents maintained they made no representation that the return on the investment was guaranteed and further maintained Claimants fully understood the nature of their investment and the disadvantages that accompanied it.

RELIEF REQUESTED

Claimants requested damages of \$40,000.00 plus interest and reasonable attorneys fees. Respondents requested dismissal of claim and that costs be assessed against Claimants.

AWARD


On October 4, 1989 and October 11, 1989, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants, Robert L. and Barbara Schneider on November 9, 1988 and by Respondent, Shearson Lehman Hutton, Inc. on October 19, 1989 and by Respondent, Sheryl Steinhart on February 6, 1989. The hearing was held in Washington, DC and consisted of 3 hearing sessions.

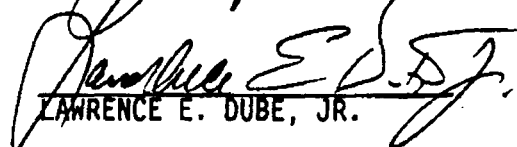
DATED: November 14, 1989

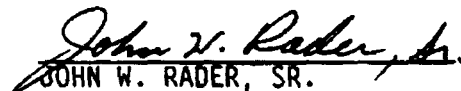
The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Shearson Lehman Hutton, Inc. be and hereby is liable and shall pay to the Claimants, Robert L. Schneider and Barbara Schneider the sum of Forty Thousand Dollars and No Cents (\$40,000.00) plus interest in the sum of Eleven Thousand Two Hundred Dollars and No Cents (\$11,200.00) minus the sum of Four Thousand Six Hundred Twenty Four Dollars and No Cents (\$4,624.00) previously paid to the Claimants as interest. In summary, the Respondent, Shearson Lehman Hutton, Inc. be and hereby is liable and shall pay to the Claimants the sum of Forty Six Thousand Five Hundred Seventy Six Dollars and No Cents (\$46,576.00) in damages.
2. Claimants, Robert L. Scheider and Barbara Schneider be and hereby are liable jointly and severally and shall return to the Respondent, Shearson Lehman Hutton, Inc. the investment at issue, Eight Hundred (800) units of Participating Development Fund 86.
3. Respondent, Shearson Lehman Hutton, Inc. be and hereby is liable and shall pay to the Claimants, Robert L. Schneider and Barbara Schneider the sum of Four Thousand Dollars and No Cents (\$4,000.00) for attorney's fees incurred.
4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$400.00 filing fee previously deposited by the Claimants. In addition, the Claimants, Robert L. Schneider and Barbara Schneider be and hereby are liable and shall pay to the National Association of Securities Dealers, Inc. the sum of Four Hundred Dollars and No Cents (\$400.00) to represent forum fees and the Respondent, Shearson Lehman Hutton, Inc. be and hereby is liable and shall pay to the National Association of Securities Dealers, Inc. the sum of Four Hundred Dollars and No Cents (\$400.00) to represent forum fees.

CONCURRING ARBITRATORS


PERRY E. WALLACE JR., ESQ.


LAWRENCE E. DUBE, JR.


JOHN W. RADER, SR.