

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Harold J. Nicholson and Claimants
Veomia E. Nicholson

vs.

Shearson Lehman Hutton, Inc. Respondents
and Larry Van Laningham

CASE NO. 89-00390

SUMMARY OF ISSUES

This case was filed with the NASD on February 8, 1989. Claimants alleged that after receiving a notice of a proposed redemption of Panhandle Eastern debentures they placed an order with their account executive to sell one-half of their \$10,000 bond position for cash and to exchange the other one-half for shares of the common stock offered. Claimants further alleged that Respondents failed to execute the order to sell the \$5,000 face bonds but instead tendered them for redemption at the call price which resulted in a loss.

Respondents denied that Claimants' put in an order to sell \$5,000 face of the bonds on the open market and maintained that Claimants' stated instruction was to convert the \$10,000 of debentures by tendering \$5,000 of the bonds for the stock exchange and tendering the remaining \$5,000 of the bonds for cash, and that this transaction was confirmed several times over the course of the next two days.

DAMAGES AND RELIEF REQUESTED

Claimants requested damages in the amount of \$6,650.00 and interest at the rate of 9% per annum from March 21, 1988 until paid.

Respondents requested dismissal of the claim.

DAMAGES AND RELIEF AWARDED

On January 30, 1990 the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants on January 31, 1989 and by Respondents Shearson Lehman Hutton, Inc. on April 27, 1989 and Larry Van Laningham on April 28, 1989. The hearing was held in Portland, Oregon and lasted one (1) session. The arbitrator, 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. Having found in favor of the Respondents, all claims are hereby dismissed.

2. The parties shall each bear their respective costs including attorneys' fees.

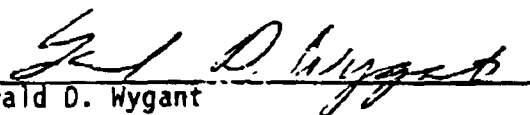
3. In accordance with Section 43 of the National Association of Securities Dealers, Inc (NASD) Code of Arbitration Procedure, the NASD shall retain the \$200.00 filing fee previously deposited by the Claimants.

OTHER ISSUES

None.

ARBITRATOR CONCURRING

DATE SERVED: 2/13/90


Gerald D. Wygant