

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between )  
 )  
GEORGE AND BELLE COOPER, )  
 )  
 ) Claimants, )  
 ) Case #89-01523  
vs. ) Award  
 )  
DREXEL BRUNHAM LAMBERT, INC. and )  
 )  
RICHARD E. GARCIA, )  
 )  
 ) Respondents. )  
 )  
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Heard before the members of the Arbitration Panel:

George R. Canty Jr.  
Eduardo J. Palacio, Esq.  
John Darling

CASE SUMMARY

This claim was filed with the NASD, Inc. on May 24, 1989. The hearing was conducted in Fort Lauderdale, Florida on May 24, 1990, and May 29, 1990, with a total of three (3) sessions.

Claimants, George and Belle Cooper ("the Coopers"), alleged that Respondents, Richard Garcia ("Garcia"), and Drexel Burnham Lambert, Inc. ("Drexel"), were liable for: recommending two limited partnerships to Claimants' which were unsuitable in light of Claimants' investment objectives; and failing to recommend that the Coopers liquidate those investments.

Respondents alleged that: No cause of action is identified by Claimants; the Coopers are seeking damages in excess of their total investment; the investments were consistent with Claimants' investment objectives; the Coopers were informed, in the prospectus, of the risks involved; and there were intervening and unforeseeable difficulties with the partnerships. Respondents asserted the affirmative defenses of: ratification; waiver; the facts do not demonstrate any fraud or negligence; and the investments were suitable for the Coopers.

RELIEF REQUESTED

Claimants requested damages in the amount of \$25,000.00 plus interest, costs and punitive damages in the amount of \$18,500.00. Respondents requested dismissal of the claim and attorney's fees.

## AWARD

On May 24th and 29th, 1990, the arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants on May 22, 1989, and by Respondents Drexel on September 20, 1989 and Garcia on September 19, 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. 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 the NASD, Inc.
2. Respondents, Drexel and Garcia, are hereby liable, jointly and severally, and shall pay to Claimants the amount of Fifteen Thousand Eighty Eight and 00/100 (\$15,088.00) Dollars inclusive of interest at the legal rate of 12% per annum.
3. Respondent, Drexel, is hereby liable and shall pay to Claimants the further amount of Fifteen Thousand Eighty Eight and 00/100 (\$15,088.00) Dollars inclusive of interest at the legal rate of 12% per annum.
4. Respondents, Garcia and Drexel, are hereby liable, jointly and severally, and shall pay to Claimants 1/2 of the post-judgement interest which shall accrue at the legal rate of 12% per annum from the date of this Award.
5. Respondent, Drexel, is hereby liable and shall pay to Claimants 1/2 of the postjudgement interest which shall accrue at the legal rate of 12% per annum from the date of this Award.
6. Upon payment of the full amount of this Award to the Claimants, the Claimants shall relinquish, and cause to be transferred, all ownership rights to the limited partnership units identified in the record for distribution among the Respondents as their interest might then appear.
7. Respondents' request for attorney's fees is hereby dismissed in all respects.
8. Pursuant to Section 43 of the Code of Arbitration Procedure, the arbitrators have assessed forum fees in the amount of One Thousand Two Hundred and 00/100 (\$1,200.00) Dollars (\$400 x 3 sessions). Respondent, Garcia, is hereby assessed forum fees in the amount of Four Hundred and 00/100 (\$400.00) Dollars to be paid directly to the Claimants as a return of their filing fee. Respondent, Drexel, is hereby assessed forum fees in the amount of Eight Hundred and 00/100 (\$800.00) Dollars to be paid to the NASD, Inc. The National Association of Securities Dealers, Inc. shall retain the Four Hundred and 00/100 (\$400.00) Dollar filing fee previously deposited by the Claimants with the NASD, Inc.

9. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including attorney's fee.

OTHER ISSUES

None.

ARBITRATORS CONCURRING

Mr. George R. Canty Jr.  
Eduardo J. Palacio, Esq.  
Mr. John Darling

Dated: August 6, 1990