

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	)	
	)	
Kathleen Lea Lanier,	)	
Marion Lee Dowell and	)	
Leta E. Dowell	)	
	)	
Claimants	)	
	)	AWARD
vs.	)	
	)	NASD #90-00047
Shearson Lehman Hutton, Inc., and	)	
Russell A. Beck	)	
	)	
Respondents	)	
	)	

**SUMMARY OF ISSUES**

This case was filed with the National Association of Securities Dealers, Inc., ("NASD") on January 2, 1990. Claimants alleged violations of Oregon Securities Laws, misrepresentation, and negligence in connection with Respondents' recommended investment of shares in a mutual fund.

Respondents' specifically denied the allegations and maintained that the recommended mutual fund investment was discussed with and approved by Claimants prior to purchase, and that information concerning the fund was provided to Claimants in the form of a prospectus, monthly statements, quarterly reports and annual reports. Respondents' asserted the affirmative defenses of statute of limitations, failure to mitigate, contributory negligence, ratification, estoppel, and waiver.

**DAMAGES AND RELIEF REQUESTED**

Claimants requested damages of \$18,342.76, interest on the principal amount originally invested, attorneys' fees and costs.

Respondents requested dismissal of the claim and costs.

**DAMAGES AND RELIEF AWARDED**

On January 15, 1991, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants Kathleen Lea Lanier and Leta E. Dowell on December 21, 1989 and Marion Lee Dowell on December 14, 1989 and by Respondents Shearson Lehman Hutton, Inc. on March 1, 1990 and Russell A. Beck on March 26, 1990. The hearing was conducted in Portland, Oregon and lasted two (2) sessions. The arbitrator having considered the pleadings, the testimony, the

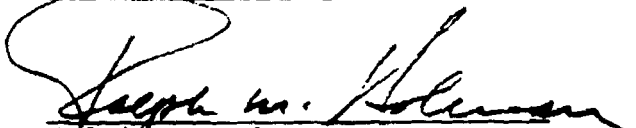
evidence presented at the hearing and the post-hearing briefs, has determined in full and final resolution of the issues submitted as follows:

1. Claimants are hereby awarded the sum of Two Thousand, Nine Hundred, Ninety-One Dollars and Zero Cents (\$2,991.00) assessed jointly and severally against Respondents.
2. Claimants are further awarded interest on the award of \$2,991.00 at nine percent (9%) from August 26, 1986 until the date the award is paid.
3. Claimants are further awarded attorney's fees in the amount of One Thousand, Five Hundred Dollars and Zero Cents (\$1,500.00) as provided for by the Oregon Statute ORS 59.115(2).
4. In accordance with Section 43 of the NASD Code of Arbitration Procedure:
  - a) The NASD shall retain the \$400.00 filing fee previously deposited by the Claimants; and
  - b) Respondents are jointly and severally assessed the sum of \$400.00 representing the filing fee and shall reimburse Claimants directly.

OTHER ISSUES

None.

ARBITRATOR CONCURRING

  
Ralph M. Holman

DATE SERVED: 2/15/91