

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, New York 10004

In the Matter of the Arbitration BetweenName of Claimants

Earnest & Gennell Lewis

vs

Case #
90-02305Name of Respondent

Shearson Lehman Hutton, Inc.

Heard before:Name

Christopher J. Moran, Jr., Esq.

Public/Industry

Public - Chairperson

CASE SUMMARY

This claim was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on August 21, 1990. Claimants, Earnest and Gennell Lewis, allege that upon the advice of a broker who was employed by Respondent, Shearson Lehman Hutton, Inc., they invested \$20,000.00 in Petro-Lewis Oil and Gas Lease Partnership. Claimants also allege that the investment was unsuitable for them, that Respondent breached its fiduciary duties to them and that Respondent was negligent. Claimant further alleges that the partnership has been worthless since 1985.

In a Statement of Answer filed with the NASD on November 26, 1990, Respondent denies the allegations of wrongdoing and contends that Claimants' losses were due to market conditions at the time. Respondent alleges that the investment was appropriate for the Claimants and consistent with their financial condition, investment objectives and the conditions of the economy at the time. Respondent further contends that Claimants were advised of the risks involved. Respondent also asserted affirmative defenses.

RELIEF REQUESTED

Claimants requests that this arbitrator award them \$20,000.00 in damages plus interest at a rate of twelve percent (12%) per annum from the date of their investment, reasonable attorney's fees and punitive damages.

Respondent requests that the Statement of Claim be dismissed in its entirety and that the panel all costs including reasonable attorney's fees be awarded to Respondent against Claimants.

AWARD

On March 12, 1991, in Atlanta, Georgia during a hearing lasting two (2) sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants, Earnest and Gennell Lewis on September 12, 1990, and signed by William A. Hohauser on behalf of Respondent, Shearson Lehman Hutton, Inc., on November 2, 1990.

The parties have agreed to receive conformed copies of the Award while the original remain on file with the NASD.

After considering the pleadings, the testimony and the evidence presented at the hearing, the arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants, Earnest and Gennell Lewis, are awarded Sixteen Thousand Seven Hundred and Eighty Six Dollars and Sixty Six Cents (\$16,786.66) in compensatory damages and Respondent is hereby liable to Claimants and shall pay them said amount;
2. Claimants are awarded interest on the above sum in the amount of Nine Thousand Three Hundred and Ninety Three Dollars and Thirty Five Cents (\$9,393.35);
3. Claimant are awarded attorney's fees in the amount of Two Thousand Five Hundred Dollars and Zero Cent ((\$2,500.00);
4. The claim for punitive damages is denied;
5. Therefore, the total sum due Claimants by Respondent is Twenty Eight Thousand Six Hundred and Eighty Dollars and One Cent (\$28,680.01).

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, forum fees in the amount of \$800.00 are assessed as follows:

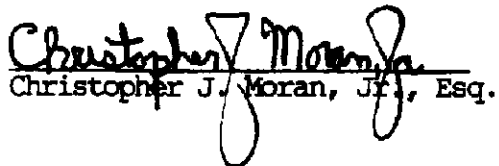
1. The NASD shall retain the \$400.00 filing fee previously deposited by the Claimants;
2. Claimants are assessed a nonrefundable filing fee of \$100.00. Claimants are further assessed \$400.00 in forum costs. After crediting Claimants account with their \$400.00 initial deposit, the total due the NASD by the

Claimants is \$100.00;

2. Respondent is assessed \$400.00 in forum costs.

Fees are payable to the ~~National~~ Association of Securities Dealers, Inc.

Arbitrator Signature


Christopher J. Moran, Jr., Esq.

Date of Decision: March 27, 1991

DATED BY NASD
MARCH 29, 1991