

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Betty Jacobson

90-03574

Name of Respondent(s)

Interstate/Johnson Lane Corporation

REPRESENTATION

For Claimant: Catherine N. Clutter, Esq. of Painter, Ratterree, Connolly & Bart in Savannah, Georgia.

For Respondent: Barry P. Harris, IV, Esq. of Interstate/Johnson Lane in Charlotte, North Carolina.

CASE INFORMATION

Statement of Claim filed: December 20, 1990.

Claimant's Submission Agreement signed on: December 13, 1990.

Statement of Answer filed by Respondent Interstate/Johnson Lane on: February 21, 1991.

Respondent Interstate/Johnson Lane's Submission Agreement signed on: February 19, 1991.

HEARING INFORMATION

Hearing Date/Sessions: June 26, 1991/Two sessions

Hearing Location: Atlanta, Georgia

CASE SUMMARY

Claimant Betty Jacobson alleged that, after advising the Respondent that her investment objectives were to ensure stable investments and preservation of principle, the Respondent invested her funds in a common stock entitled First Executive Corporation, a firm that allegedly was capitalized, almost exclusively, with junk bonds. Claimant alleged that this investment was

unsuitable for her and charged that the Respondent misrepresented First Executive Corporation stock to her. Respondent Interstate/Johnson Lane maintained that the losses that the Claimant suffered were the result of independent market action and not associated with any wrongdoing by the Respondent. Respondent further maintained that the recommendations made to the Claimant were valid in light of the investment objectives that she disclosed.

RELIEF REQUESTED

Claimant requested \$68,375.50 plus any additional losses which accrued to her First Executive Corporation stock between the date of filing of the Statement of Claim and the entry of this award by the panel. Claimant further requested that the panel award her all costs, including reasonable attorney's fees.

Respondent requested that the claims of the Claimant be dismissed and that the Claimant bear all costs associated with the proceeding.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of all 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 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.
- (2) Respondent Interstate/Johnson Lane is liable and shall pay to the Claimant Betty Jacobson the sum of Fifteen Thousand Dollars and No Cents (\$15,000.00).
- (3) The parties shall each bear their respective costs, including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

- (1) The NASD, Inc. shall retain the \$500.00 hearing session deposit previously submitted by the Claimant Betty Jacobson.
- (2) Respondent Interstate/Johnson Lane is assessed \$500.00 in forum fees.

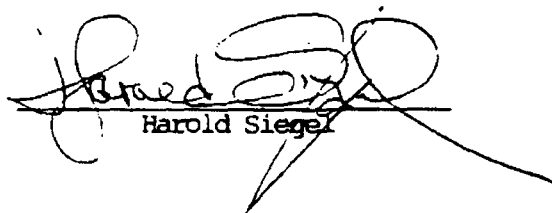
Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATION PANEL

Harold Siegel (chairperson)
Emily Grigsby, Esq.
Alfred Shams

Public Arbitrator
Public Arbitrator
Securities Arbitrator

Concurring Arbitrators' Signatures

A handwritten signature in dark ink, appearing to be "Harold Siegel", written over a horizontal line. The signature is stylized with large loops and a long horizontal stroke extending to the right.

Emily Grigsby, Esq.

Alfred Shams

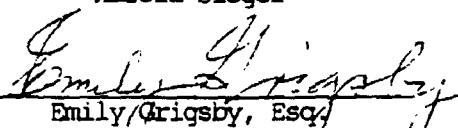
Date of Decision:

ARBITRATION PANEL

Harold Siegel (chairperson)
Emily Grigsby, Esq.
Alfred Shams

Public Arbitrator
Public Arbitrator
Securities Arbitrator

Concurring Arbitrators' Signatures

Harold Siegel


Emily Grigsby, Esq.

Alfred Shams

Date of Decision:

6/26/91

ARBITRATION PANEL

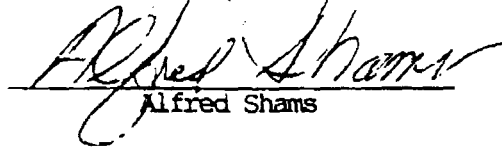
Harold Siegel (chairperson)
Emily Grigsby, Esq.
Alfred Shams

Public Arbitrator
Public Arbitrator
Securities Arbitrator

Concurring Arbitrators' Signatures

Harold Siegel

Emily Grigsby, Esq.


Alfred Shams

Date of Decision: