

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

 In the Matter of the Arbitration Between :

Ronald & Kathryn Johnson :

Claimants :

vs. :

Shearson Lehman Brothers, Inc. :
 Kevin Burns :

Respondents :

CASE #91-03180
 AWARD

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 10, 1991, Claimants, Ronald & Kathryn Johnson, who appeared Pro Se, alleged that Respondent, Shearson Lehman Brothers, Inc. through their registered representative, Kevin Burns, recommended the purchase of Permian Partners LP Cum CV Pref. Units, which was not the conservative investment that they sought. The Claimants further alleged that this investment was not suitable or in accordance with their investment objectives, and that they are entitled to reimbursement for their losses.

Respondents, Shearson Lehman Brothers, Inc. and Kevin Burns through their in-house counsel, Ann Parry, Esq., maintained that this investment was entirely suitable for Claimants' objective for conservative, income-oriented investments, and that the investment paid quarterly distribution. The Respondents further maintained that Mr. Johnson was an experienced investor, and that he had received and reviewed the prospectus weeks before the purchases were made. In addition, the Respondents contend that the Claimants failed to mitigate their damages by holding onto the investment, even though its value was gradually dropping.

RELIEF REQUESTED

Claimants, Ronald and Kathryn Johnson requested \$6,760.00 in actual damages, plus interest of \$473.00 and return of the NASD filing fee.

Respondents, Shearson Lehman Brothers, Inc. and Kevin Burns requested the claims of the Claimants be dismissed and that they be awarded costs and attorney's fees.

AWARD

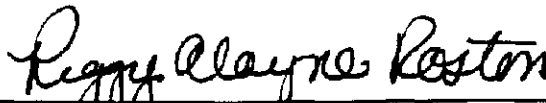
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Peggy Alayne Roston, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on September 30, 1991 and not signed by the Respondents as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimants, Ronald and Kathryn Johnson against Respondents, Shearson Lehman Brothers, Inc. and Kevin Burns are dismissed in their entirety.
2. The parties shall bear their respective costs including attorney's fees.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc.

AFFIRMATION

I, **PEGGY ALAYNE ROSTON**, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATE OF DECISION: June 24, 1992