

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Pearl S. Lawrence & Johnny W. Williamson

CASE #91-03623 Consolidated  
with #91-03624

Name of Respondents

The Robinson Humphrey Co.  
R. A. McCord, III  
R. P. Sheridan, Jr.

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REPRESENTATION

For Claimants Pearl S. Lawrence & Johnny W. Williamson:  
Edward W. Killorin, Esq. and Clifford Altekruze, Esq. of  
Killorin & Killorin and Charles Haygood, Esq.

For Respondents The Robinson Humphrey Co., R. A. McCord  
III and R. P. Sheridan, Jr.: David Jensen, Esq. and Susan  
Housen, Esq. of Peterson Dillard Young Self & Asselin.

CASE INFORMATION

Statement of Claim of Pearl Lawrence and Johnny  
Williamson filed: November 15, 1991.

Claimants Pearl Lawrence and Johnny Williamson's  
Submission Agreements signed on: November 14, 1991.

Joint Statement of Answer filed by Respondents The  
Robinson Humphrey Co., R. A. McCord, III and R. P. Sheridan,  
Jr.: January 17, 1992.

Respondent Robinson Humphrey Co.'s Submission Agreement  
signed on: December 12, 1991.

Respondent Robert McCord, III's Submission Agreement  
signed on: December 24, 1991

Respondent Richard Sheridan, Jr.'s Submission Agreement  
signed on: December 30, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: July 29, 1992 - 2 sessions  
July 30, 1992 - 2 sessions  
October 1, 1992 - 2 sessions  
October 2, 1992 - 2 sessions  
October 12, 1992 - 2 sessions

Hearing Location: N.A.S.D. offices located in Atlanta, Georgia

CASE SUMMARY

Claimants alleged that Claimants lost substantial sums of invested monies, interest charges and commissions through high risk, unsuitable investments made for them by Respondents. Claimants further alleged Respondents, directly or through their employees, falsely and fraudulently assured Claimants that their investments were low risk and consistent with their stated, conservative investment goals. Claimants further alleged that Respondents misrepresented and omitted material facts concerning Respondents' interests in the securities purchased for them, and Respondents made unauthorized margin purchases in the margin accounts maintained by the Claimants. Claimants further alleged Respondents sold securities without authorization and failed to execute transactions in a timely manner.

Respondents maintained Claimants were sent confirmations, monthly statements, prospectuses and offering materials as required which informed them of the nature, risks and performance of each of their investments. Respondents further maintained Claimants indicated to Respondent Sheridan that they understood and accepted risk and volatility for a higher potential yield and return on their investments and that the complained of investments were suitable for Claimants given their stated investment objectives. Respondents further maintained Claimants never complained to Respondents regarding the nature of the investment or the return they were receiving. Respondents asserted defenses of consent, waiver, ratification and estoppel.

RELIEF REQUESTED

Claimants requested recovery of their direct monetary losses, commission paid, margin interest, punitive damages and attorneys' fees.

Respondents requested all claims be dismissed.

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#91-03624

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 the issues submitted for determination as follows:

1. All claims by Claimants be and hereby are dismissed in their entirety.
2. Each party shall bear his, her or its own costs including attorneys' fees.

FORUM FEES

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

10 sessions x \$1,000.00 = \$10,000.00 less Claimants forum fee deposit of \$1,250.00 = \$8,750.00 net due.

Forum Fees are Assessed Against:

Respondent Robinson Humphrey which shall pay the NASD the sum of \$8,750.00; and

The NASD shall retain the \$650.00 in filing fees and the \$1,250.00 in forum fee deposits previously deposited by Claimants.

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

ARBITRATORS' SIGNATURE

Name

Public/Industry

  
James R. McGuone, Esq./Chairman

Public

Alfred A. Shams

Industry

  
Michael A. Caldwell, Esq.

Public

DATE OF DECISION: November 14, 1992

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