

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Ehrhard Bahr
Diana Bahr

NASD Arbitration
No. 91-04028

Name of Respondents

Chris B. Johnson
E.I. Sales, Inc.

REPRESENTATION

For Claimant: Michael L. Paule - Investors Arbitration Services, Inc.
Woodland Hills, California

For Respondent, E.I. Sales, Inc.: Thomas M. Zyrek, Esq. - Nymaster, Goode,
McLaughlin, et al. - Des Moines, Iowa

For Respondent, Chris B. Johnson: Michel Fron, Esq. - Keesal, Young &
Logan, Long Beach, California

CASE INFORMATION

Statement of Claim filed: December 19, 1991

Claimants' Submission Agreement signed: December 13, 1991

Joint Statement of Answer filed by Respondents: February 26, 1992

Respondent, E.I. Sales, Inc.'s Submission Agreement signed: February 26, 1992

Respondent, Chris B. Johnsons's Submission Agreement signed: February 25, 1992

HEARING INFORMATION

Pre-Hearing Conference: None

Hearing Dates/Sessions: October 22, 1992 - Two Sessions

October 23, 1992 - Two Sessions

January 19, 1993 - Two Sessions

January 20, 1993 - Three Sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants, Ehrhard Bahr and Diana Bahr (Bahr), alleged that Respondent Chris B. Johnson (Johnson), while employed by Respondent, E.I. Sales, Inc. (E.I.) recommended the purchase, for the Bahr accounts, of limited partnerships which were speculative, illiquid. Said investments were unsuitable in light of the Bahrs' investment objectives and investment experience.

Respondents, answering jointly, alleged that the Claimants understood the risks involved in investments which brought high yields and that they knowingly assumed said risks.

RELIEF REQUESTED

Claimants seek compensatory damages of \$82,416.49; interest, costs, fees and punitive damages.

Respondents seek dismissal of the claim in its entirety.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original remain on file with the NASD.

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. Each and every claim of Claimants, Ehrhard and Diana Bahr, against respondent E.I. Sales, Inc., is dismissed.
2. Each and every claim of Claimants, Ehrhard and Diana Bahr, against Respondent Chris B. Johnson, is dismissed.
3. The parties shall each bear their respective costs and fees including attorney/recovery fees.
4. The NASD shall retain all fees and deposits made by the parties.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed:

1. Claimants, Ehrhard and Diana Bahr, are jointly assessed forum fees in the amount of \$1,750.00 representing one-half of the fees for 9 hearing sessions at \$500.00 each, less credit for the \$500.00 previously deposited.
2. Respondents, E.I. Sales, Inc. and Chris B. Johnson, are jointly and severally assessed and forum fees in the amount of \$2,250.00 representing one-half of the \$4,500.00 in fees assessed.

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

ARBITRATORS

Public/Industry
Public Chairperson
Industry Panelist
Public Panelist

Concurring Arbitrators' Signatures

Edm Wilb

Served 3/5/93

Date of Decision: 3/1/93