

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

George Grissom
Carmen Grissom

NASD Arbitration
No.92-01581

Name of Respondent(s)

Douglas C. Skaife
Donald A. Jacobus
Skaife Investment Management Services, Inc.

REPRESENTATION

For Claimants: Reed N. Bement, Esq., San Francisco, California

For Respondents: Andrew H. Wilson, Esq., and Edward S. Zusman, Esq.,
Wilson, Ryan & Campilongo, San Francisco, California

CASE INFORMATION

Statement of Claim filed: May 7, 1992

Claimants' Submission Agreement signed: April 16, 1992

Statements of Answer filed by Respondents: July 24, 1992

Respondents' Submission Agreement signed:

Skaife Investment Management: June 16, 1992

Douglas C. Skaife: June 16, 1992

Donald Jacobus: June 16, 1992

HEARING INFORMATION

Hearing Date / Sessions: May 11, 1993 - 2 sessions
 May 12, 1993 - 2 sessions
 May 13, 1993 - 1 session

Hearing Location: San Francisco, California

CASE SUMMARY

Claimants alleged Respondents engaged in a continuing course of wrongful conduct by recommending the purchase and retention of limited partnership investments which were not suitable for their financial objectives. Claimants also alleged Respondents misrepresented the risks of limited partnership investments.

Respondents denied all allegations of wrong-doing, and asserted that Claimants were suitable for the investments and that the decline in the investments' value was caused by market conditions and the Tax Reform Act of 1986 rather than acts or omissions of Respondents. Respondents also asserted that Donald Jacobus had no business relationship to Claimants and should be dismissed as a Respondent. Respondents further asserted that all claims relative to investments made before April 16, 1986 are not eligible for arbitration pursuant to Section 15 of the Code of Arbitration Procedure.

RELIEF REQUESTED

Claimants requested damages of \$582,500.00 plus attorney's fees.

Respondents requested dismissal of all claims.

OTHER ISSUES CONSIDERED & DECIDED

At the first hearing session, oral argument was heard on Respondents' Motion to Dismiss pursuant to Section 15 of the Code of Arbitration Procedure. The panel denied the motion.

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 originals 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. All claims asserted against Respondent Donald A. Jacobus are dismissed in their entirety.
2. Respondents Douglas C. Skaife and Skaife Investment Management Services, Inc. are jointly and severally liable for and shall pay to Claimants the sum of \$366,000.00 in satisfaction of all claims asserted. Upon satisfaction of the monetary award, Claimants are to convey to Douglas C. Skaife all their right, title and interest in all the limited partnerships at issue in this claim. Claimants are further required to opt out of the class action lawsuits involving the Alert limited partnerships upon satisfaction of judgment.
3. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

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

Total fees:

5 sessions @ \$1,000 / session	=	\$5,000.00
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Claimants are assessed one-half:

2.5 sessions @ \$1,000/session	=	\$2,500.00
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<u>Credit for hearing session deposit</u>	=	<u>\$1,000.00</u>
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Balance due	=	<u>\$1,500.00</u>
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Respondents Douglas Skaife and
Skaife Investment Management Services
are jointly and severally assessed one-half:
2.5 sessions @ \$1,000/session = \$2,500.00

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

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Janet Brayer	Public Chairperson
D'Anne J. Quinton	Public Panelist
William T. Smales, Jr.	Industry Panelist

Concurring Arbitrators' Signatures

Janet Brayer

Date Served: 07/09/93

Date of Decision: _____