

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

George Ryder Kemp

92-04178

Name of Respondents

Smith Barney Harris Upham & Co., Inc.
Richard R. Shalla, Jr.

REPRESENTATION

For Claimant, George Ryder Kemp, ("Kemp"): Robert H. Rex., Esq. of Dickenson, Murdock, Rex and Sloan.

For Respondents, Smith Barney, Harris Upham & Co., Inc. ("Smith Barney") and Richard R. Shalla, Jr. ("Shalla"): Larry H. Irom, Esq. of Smith Barney.

CASE INFORMATION

Statement of Claim filed: 12/11/92.

Claimant's Submission Agreement signed on: 12/10/92.

A joint Statement of Answer filed by Respondents on: 2/3/93

Respondent, Smith Barney's Submission Agreement signed on: 2/2/93 by Larry H. Irom, Esq. on behalf of Smith Barney.

Respondent, Shalla did not submit an executed Submission Agreement.

HEARING INFORMATION

On October 13 and 14, 1993, in Fort Lauderdale, Florida, a hearing lasting four (4) sessions was conducted.

CASE SUMMARY

Claimant alleged that he is an unsophisticated investor and that he depended on Respondents to handle his investments; that he instructed Respondents to invest only in top quality investments without risk; that Respondents recommended limited partnerships which were illiquid and high risk investments; that he was never informed of the risks inherent in limited partnerships, that Smith Barney failed to supervise Shalla, its registered representative; that Claimant suffered damages as a result of the unsuitable investments.

Respondents denied all allegations of wrongdoing contained in the Statement of Claim and maintained that the limited partnerships at issue were suitable in that they were in keeping with Claimant's investment objectives; that the risks inherent in the limited partnerships were disclosed to Claimant and that the investment was fully discussed with and approved by Claimant.

RELIEF REQUESTED

Claimant requested damages in excess of \$150,000.00, plus attorneys fees and expert witness fees.

Respondents requested dismissal of the Claim.

OTHER ISSUES CONSIDERED & DECIDED

1. After careful consideration and deliberation the Panel denied Respondent's Motion to Dismiss at the commencement of the hearing.
2. The parties have agreed that the Award issued 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 and post hearing submissions (if any), the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Richard R. Shalla, Jr. is found not liable and, therefore, all claims against him are hereby dismissed.

3. Claimant's requests for attorneys' fees, costs, expenses and expert witness fees are hereby denied.

OTHER COSTS

The parties shall each bear all costs and expenses incurred by them in connection with this proceeding, including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the panel has assessed forum fees in the amount of \$3,000.00 (four (4) hearing sessions X \$750.00).

3. The NASD shall retain the non-refundable filing fee of \$200.00 paid by the Claimant.

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

ARBITRATION PANEL

Concurring Arbitrators' Signatures

George D. Lambert, III	Industry/Panelist
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Date of Decision: December 21, 1993