

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimants

Earl L. Carrillo
Blanche I. Carrillo

NASD Arbitration
No. 92-04217

Name of Respondents

Bateman Eichler, Hill Richards, Inc.
Kemper Securities, Inc.
Leonard Talbot

REPRESENTATION

For Claimant: Richard Sacks, Investors Recovery Service, Novato, Ca.

For Respondents: A. Brad Busscher, Esq. - Kemper Securities, Inc. - Chicago, Il.

CASE INFORMATION

Statement of Claim filed: December 17, 1992

Claimant's Submission Agreement signed: November 18, 1992

Joint Statement of Answer filed by Respondents: June 10, 1993

Respondent Kemper Securities, Inc. 's Submission Agreement signed: June 10, 1993

Respondent, Leonard Talbot's Submission Agreement signed: June 8, 1993

HEARING INFORMATION

Pre-Hearing Conference Date / Session: None

Hearing Date / Sessions: December 9, 1993 - Two sessions

Hearing Location: San Francisco, California

CASE SUMMARY

Claimant, Earl L. Carrillo (Carrillo), alleged that Respondent, Leonard Talbot (Talbot), made misrepresentations as to the risks involved in investing in high-yield bond funds and a government bond fund. Carrillo relied on Talbot's representations and sold his insured certificates of deposit in order to purchase the securities at issue. Said purchases lead to losses in Carrillo's account.

Respondents alleged that the securities at issue were suitable for the Claimant in that the largest portion of the money invested through Talbot was clearly invested in government backed securities. A smaller portion of the Claimant's portfolio was invested in high-yielding debt securities. Accordingly, the investments were appropriately diversified in order to meet the Claimant's state objective of higher income.

RELIEF REQUESTED

Claimant seeks to recover capital losses in the amount of \$45,240.10 plus recovery fees in an amount to be determined at the hearing

Respondents request dismissal of the claim in its entirety, costs and attorneys' fees

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in either 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 remains on file with the NASD.

The panel recognized that Kemper Securities, Inc. appeared as the successor in interest to Respondent Bateman Eichler, Hill Richards, Inc.

Prior to the hearing, the panel heard Respondents' Motion to Dismiss under Section 15 of the NASD Code of Arbitration Procedure. Said Motion was denied.

The panel also recognized that Earl L. Carrillo was appearing as trustee for Blanche I. Carrillo, deceased, pursuant to a Durable Power of Attorney dated September 12, 1992.

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. Respondent, Kemper Securities, Inc, is solely liable and shall pay to Claimant, Earl L. Carrillo, individually and as trustee, the sum of Fifteen Thousand Dollars and No Cents (\$15,000.00).

- 2 Each and every claim of Claimant, Earl I. Carrillo, individually and as trustee, against Respondent Leonard Talbot is dismissed..
3. The parties shall each bear their respective costs and fees including attorney/recovery fees.
4. Respondent, Kemper Securities, Inc., shall pay to Claimant the sum of \$400.00 as reimbursement for Claimant's hearing session deposit.

FORUM FEES

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

Total Fees:

Two sessions @ \$400 / Session = \$800.00

Respondent, Kemper Securities, Inc., is solely assessed full forum fees in the amount of \$400.00, calculated as follows:

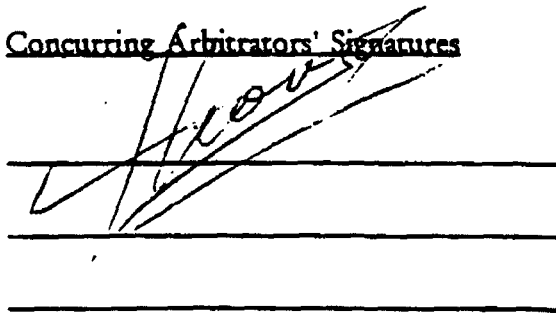
Total Fees	-	\$800.00
Filing Fee, reimbursed directly to Claimants	-	\$400.00
Balance Due	-	<u>\$400.00</u>

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

ARBITRATORS

Name	Public / Industry
Robert Gorman	Public Chairperson
* Rudy Thorwirth	Industry Panelist
John Flynn	Public Panelist

Concurring Arbitrators' Signatures



Date Served: 12/28/93