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N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Harry F. and Bettie J. Hedlund

93-02826

Name of Respondent

Shearson Lehman Brothers, Inc. n/k/a  
Smith Barney Shearson, Inc.

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 20, 1993, Claimants Harry & Bettie Hedlund, who appeared Pro Se, alleged that Respondent Shearson Lehman Brothers, Inc. n/k/a Smith Barney Shearson, Inc. was profit motivated and did not take into consideration their best interests when it advised them to invest entirely in Limited Partnerships, such as Beverly Hills Medical, Century Hillcrest Apts. L.P., and Shopco Malls. The Claimants also alleged that their whole investment portfolio was directed into Limited Partnerships, even though they had specified a need for reasonable income, reasonable growth factors and accessibility of funds. The Claimants contended that they were put into an investment position that had none of the features they were in need of and had requested, and that therefore they have suffered damages for which the Respondent should be held liable.

Respondent Shearson Lehman Brothers, Inc. n/k/a Smith Barney Shearson, Inc., through its in-house counsel, Ann Parry, Esq., maintained that at the time the investments were made, the Claimants' stated investment objectives and financial background were entirely consistent with the objectives and suitability requirements of these two partnerships. The Respondent further maintained that the Claimants never expressed liquidity as a primary concern, and that the Claimants received a prospectus for each limited partnership investment each of which reiterated throughout that there was no public trading market for the partnerships. The Respondent contended that the claims against it should be dismissed.

RELIEF REQUESTED

Claimants Harry and Bettie Hedlund requested \$10,000.00 in actual damages, plus costs.

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Respondent Shearson Lehman Brothers, Inc. n/k/a Smith Barney Shearson, Inc. requested that the claims of the Claimants be dismissed.

**OTHER ISSUES CONSIDERED & DECIDED**

The arbitrator reviewed and considered the Section 15 Motion to Dismiss filed by Respondent Smith Barney Shearson, Inc. and the subsequent documents. The Motion is hereby denied. All issues are deemed eligible for consideration.

**AWARD**

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Raymond Prazen, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on July 7, 1993 and by the Respondent on September 7, 1993.

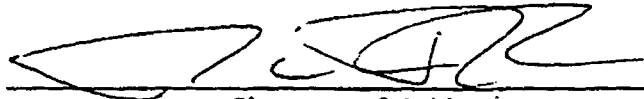
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimants Harry and Bettie Hedlund against Respondent Smith Barney Shearson, Inc. are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc.

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**AFFIRMATION**

I, **RAYMOND PRAZEN, ESQ.**, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

  
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Signature of Arbitrator

**DATE OF DECISION:**      October 6, 1994