

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Barbara Spriggs

NASD Arbitration
No. 93-03382

Name of Respondent(s)

Shearson Lehman Hutton Inc.
Richard Russo

REPRESENTATION

For Claimant: Barbara Spriggs, Alta Loma, California

For Respondents: Paul M. Foster, Esq., Smith Barney, Inc.,
Sherman Oaks, California

CASE INFORMATION

Statement of Claim filed: August 24, 1993

Claimant's Submission Agreement signed: August 11, 1993

Joint Statement of Answer filed by Respondents and Counterclaim
filed by Smith Barney Shearson Inc.: December 8, 1993

Respondents' Submission Agreements signed as follows:

Shearson Lehman Hutton Inc., also known as Smith Barney
Shearson Inc.: December 15, 1993
Richard Russo: December 13, 1993

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s): None

Hearing Date(s)/Session(s): October 4, 1994 (one session)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged that in breach of their fiduciary duty, Respondents Russo and Shearson Lehman Hutton Inc. recommended Claimant and her husband Richard Spriggs, deceased, to invest in speculative limited partnerships which were in reckless disregard of their stated investment objectives. Claimant further alleged that Respondent Russo furthered his wrongdoing by continuing to misrepresent the nature of these unsuitable investments for the duration he was Claimant's financial advisor. Claimant further alleged that as a result of Respondents' breach of fiduciary duty, Claimant is entitled to punitive damages.

Respondents denied any liability to Claimant and alleged that contrary to the allegations in the Statement of Claim, the Spriggs were not inexperienced or unsophisticated. Respondents further alleged that Respondent Russo thoroughly explained the risks associated with investing in limited partnerships to the Spriggs, and they indicated that they were familiar with limited partnerships. Respondents further alleged that Claimant was provided with prospectuses and that these prospectuses fully disclosed the risks associated with investing in limited partnerships in great detail. Respondents also asserted affirmative defenses.

In its Counterclaim, Respondent Smith Barney Shearson Inc. alleged that to the extent that Claimant is seeking damages based upon investments in her Financial Management Account (namely a \$10,000.00 investment in Radisson L.P.), Smith Barney Shearson Inc. is entitled to indemnification.

RELIEF REQUESTED

Claimant requested:

1. General damages in the approximate amount of \$43,000.00;
2. Punitive damages in such amount as the panel may determine;

3. Interest on any damages awarded from the date of the loss; and

4. Costs and reasonable attorneys' fees.

Respondents requested:

Dismissal of Claimant's Statement of Claim and that costs be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, Claimant withdrew all claims with respect to her Radisson L.P. investment since that investment was the subject of a settled class action.

At the outset of the evidentiary hearing, the panel of arbitrators reviewed and considered the positions of the parties relative to Respondents' Motion to Dismiss based upon the applicable statute of limitations. The panel determined that they would issue a ruling with respect to Respondents' Motion following the presentation of testimony by the parties.

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 originals remain on file with the National Association of Securities Dealers, Inc. (NASD).

AWARD

After considering the positions of the parties relative to the Motion to Dismiss, 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 by Claimant, including the claim for punitive damages, are dismissed.

2. All claims with respect to the Counterclaim filed by Smith Barney Shearson Inc. are dismissed.

3. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

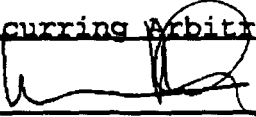
Pursuant to Sections 43(c) and 44(c) of the Code of Arbitration Procedure, the following forum fees are assessed: Forum fees are to be split between Claimant and Shearson Lehman Hutton Inc. and are calculated as follows:

One hearing session @ \$400.00/session	=	\$400.00
Total fees assessed	=	\$400.00
Claimant's share (50%)	=	\$200.00
Credit for hearing deposit	=	\$400.00
Refund amount	=	\$200.00
Shearson Lehman Hutton Inc.'s share (50%)	=	\$200.00
Credit for hearing deposit	=	\$300.00
Refund amount	=	\$100.00

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<u>Name</u>	<u>Public / Industry</u>
Lambert M. Javelera, Esq.	Public Arbitrator
Charles B. Shuford, JD	Public Arbitrator
William L. Fieldman	Industry Arbitrator

Concurring Arbitrators' Signatures



Lambert M. Javelera, Esq.

Charles B. Shuford, JD

William L. Fieldman

Date Served: 11-3-94

Date of Decision: _____

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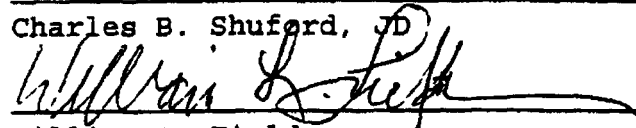
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