

PUBLIC

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Norman W. Schur Trust, Joanna Weber
and Warren M. Schur as Trustees

93-04879

Name of Respondent(s)

Kidder, Peabody & Co., Incorporated
James P. Dolan, Jr.

REPRESENTATION

For Claimant: Warren M. Schur, Esq. of the law firm of Heller, Borreliz and Katz.

For Respondents: Brian F. McDonough, Esq. of the law firm of Shanley and Fisher.

CASE INFORMATION

Statement of Claim filed: November 24, 1993.

Claimant's Submission Agreement signed on: November 16, 1993.

Joint Statement of Answer filed by Respondents on: 2/24/94.

Respondent Kidder Peabody and Company, Inc.'s ("Kidder") Submission Agreement signed on 5/25/94.

Respondent James Dolan's Submission Agreement signed on 6/10/94.

HEARING INFORMATION

Hearing Dates/Sessions: September 13, 1995 - 2 sessions
 September 14, 1995 - 1 session

Hearing Location: NASD Offices located in New York City, New York

CASE SUMMARY

Claimant alleged that in January of 1987 John Dolan, an account executive with Kidder embarked on a program of selling unsuitable limited partnership interests to Norman W. Schur and never explained that these investments carried significant risks and Mr. Schur never appreciated the complexities of the risks attendant with limited partnership investments. Claimant further alleged the Respondents ignored Mr. Schur's investment objectives as he had consistently expressed his extreme aversion to risk of capital. Claimant further alleged Respondent Kidder encouraged Respondent Dolan to sell limited partnerships to investors regardless of their suitability and failed to properly supervise Respondent Dolan.

Respondents maintained that no public customer could have been better equipped to understand and evaluate the risks, rewards and other dimensions of an investment in public income limited partnerships than Mr. Schur, a Columbia Law School graduate with approximately fifty years of professional experience. Respondents further maintained that Mr. Schur was so pleased with Mr. Dolan that he not only used him extensively for his own financial affairs, but referred numerous friends and clients to him and following those referrals, the clients generally looked to Mr. Schur as well as Mr. Dolan for financial advice. Respondents next alleged following Mr. Schur's death, his son approached many of these same clients and encouraged them to file suit against Kidder and Mr. Dolan alone thus deflecting attention from his father's role in fostering these investments. Respondents further maintained the income limited partnerships in question were established ventures with proven track records that were expected to produce a double digit cash flow over the succeeding five to twelve years and the limited partnerships were suitable for Mr. Schur and they were recommended for the purpose of providing Mr. Schur with the income that Mr. Dolan understood to be his objective. Respondents further maintained Mr. Dolan spent many hours discussing each of the direct investments with Mr. Schur and he understood the nature, risks, illiquidity and tax structure of each of these deals.

RELIEF REQUESTED

At the hearing the Claimant requested the Respondents restore the finances of the trust to the condition they would have been in presently if Norman Schur had received reasonable and prudent investment advice; compensatory damages in the sum of \$90,000.00 plus additional general damages for the wanton disregard shown by the Respondent Dolan; damages representing emotional distress suffered by the Claimant plus expenses incurred in connection with the action.

Respondents requested a dismissal of all claims against them.

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 by the Claimant are dismissed in all respects.
2. Each party shall bear their respective costs including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fee(s) are assessed.

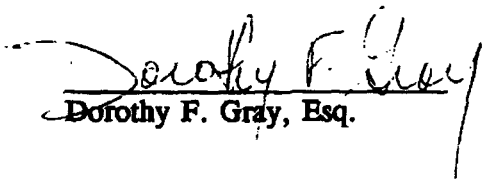
Claim filing fee:	200.00
3 hearing sessions X \$750.00 =	<u>\$2,250.00</u>
Total fees:	\$2,450.00

The arbitrators have determined that the Claimants are responsible for one-half (1/2) of the hearing session fees and the Respondents are liable jointly and severally for one-half (1/2) of the hearing session fees.

1. The Claimants are liable and shall pay to the NASD the sum of \$1,225.00. Claimants previously paid \$950.00 and owe a balance of \$275.00.
2. The Respondents are liable jointly and severally and shall pay to the NASD the sum of \$1,225.00.

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

Concurring Arbitrators' Signatures


Dorothy F. Gray, Esq.

Public


George R. Freud

Public

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Clifford A. Harwick

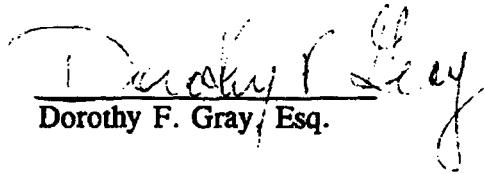
Industry

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Date of Decision: October 9, 1995

AFFIRMATION


I, Dorothy F. Gray, Esq., do hereby affirm pursuant to Article 7505 of the Civil Procedures Law and Rules, that this is my decision in above captioned matter.


Dorothy F. Gray, Esq.

I, George R. Freund do hereby affirm pursuant to Article 7505 of the Civil Procedure Law and Rules, that this is my decision in the above captioned matter.


George R. Freund

I, Clifford A. Harwick, do hereby affirm pursuant to Article 7505 of the Civil Procedure Law and Rules, that this is my decision in the above captioned matter.


Clifford A. Harwick