

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

David S. McNally

94-02204

Name of Respondent

Principal Financial Securities, Inc. formerly,
(Eppler, Guerin & Turner, Inc.)

Representation of Parties

Claimant, David S. McNally ("McNally") appeared at the hearing Pro Se.

Respondent, Principal Financial Securities, Inc. (formerly, Eppler, Guerin & Turner, Inc., "Respondent") appeared at the hearing and was represented by Brian J. Hurst, Esq. of Principal Financial Securities, Inc., Dallas Texas.

Case Information

The Statement of Claim was filed on June 10, 1994 by claimant. The Uniform Submission Agreement was signed on June 9, 1994.

The Statement of Answer and third-party claim against David D. McNally, was filed on August 16, 1994. The Uniform Submission Agreement was signed on August 15, 1994 by Brian Hurst, Esq. on behalf of Principal Financial Securities, Inc.

Answer to the third-party claim was filed by David D. McNally on September 16, 1994.

Hearing Information

The hearing was held in Houston, Texas on April 25, 1995 for two (2) hearing sessions.

Case Summary

Claimant, McNally, alleged in his Statement of Claim that respondent misrepresented the suitability of Gemini V limited partnership and led him to believe that the principal would be secure and the return on the investment reasonable in view of the prevailing interest rates.

Respondent, in its answer, stated that they deny misrepresenting anything about the limited partnership. Respondent stated that the inherent risks of the limited partnership were disclosed in the prospectus and sent to the claimant.

Relief Requested

Claimant requested damages in the approximate amount of \$42,036.89.

Respondent requested that the claim be dismissed in its entirety and that they be awarded their costs and legal fees.

Other Issues Considered and Decided

The parties present at the hearing have agreed that the Award in this matter may be executed by 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.

Respondent withdrew its third-party claim filed against David D. McNally, prior to the hearing.

Respondent filed a Motion To Dismiss, a Renewed Motion To Dismiss and Motion In Limine prior to the hearing. Claimant filed a response.

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. The claimant's Statement of Claim is denied and respondent Principal Financial Securities, Inc. is dismissed;
2. Each of the parties shall bear their own costs and expenses, including legal fees, other than those specifically enumerated under Forum Fees below.

Forum Fees

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

two hearing sessions X \$400 = \$800 minus \$400 = net \$400 due to the NASD.

Pursuant to Section 43(c) of the Code of Arbitration, the NASD shall retain the nonrefundable filing fee in the amount of \$120, and shall retain the hearing session deposit in the amount of \$400 previously paid to the NASD by the Claimant.

The additional forum fees in the amount of \$400 are assessed against Respondent. The additional forum fees assessed by the panel are payable to the National Association of Securities Dealers, Inc. The panel has also ordered that respondent reimburse claimant the sum of \$520 which was the amount claimant previously deposited with the NASD.

By The Arbitration Panel:

Dated:

5/31/95

s/s Alan R. Crain Jr.
Alan R. Crain, Jr., Esq.
Presiding, Public Arbitrator

5/23/95

s/s Richard P. Flake
Richard P. Flake, Esq.
Public Arbitrator

5/25/95

s/s John M. Greer
John M. Greer
Industry Arbitrator

Date Award Served By The NASD: 6/1/95