

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Noel C. Purdie

95-01097

Name of Respondents

Smith Barney Shearson, Inc. n/k/a Smith Barney Inc.
Conrad Tetrault

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 20, 1995, Claimant Noel C. Purdie, who appeared Pro Se, alleged that Respondents Smith Barney Shearson, Inc. and Conrad Tetrault ("Tetrault"), failed to advise him of a California Public Utilities publication issued in 1993, and had he been properly informed of the risks, returns and past performance, he never would have purchased the 1,000 shares of South California Edison Stock ("SCE") that he owns. The Claimant also alleged that the investment reduced its annual dividend from \$1.42 to \$1.00 per share, which was necessary because the earnings outlook was uncertain. Claimant Noel C. Purdie maintained that due to the wrongdoing of the Respondents, he has suffered a loss, for which the Respondents should be held liable.

Respondents Smith Barney Shearson, Inc. and Conrad Tetrault, through their in-house counsel, Ellen Slipp, Esq., maintained that Claimant himself approached Respondents with the specific intention of purchasing SCE shares, and initiated an unsolicited buy order to effect the sale. Respondents further maintained that the SCE investment was suitable for Claimant in terms of financial status and investment objectives of appreciation and income with safety. Respondents contended "facts" allegedly not disclosed to Claimant were merely proposals which, along with many other factors had the potential to adversely affect SCE's future performance. Respondents further contended that although Claimant was made aware of factors which would potentially adversely effect SCE, he waited approximately one year from the announcement of the SCE dividend reduction to raise an objection, typifying his behavior as merely a disgruntled investor. Respondents maintained that as a result of the foregoing, they should not be held liable.

RELIEF REQUESTED

Claimant Noel C. Purdie, requested \$391.71 in actual damages, and that Respondent Smith Barney Shearson Inc. buy back 1,000 shares of SCE.

Respondents Smith Barney Shearson, Inc. and Conrad Tetrault, requested that the claims of the Claimant be dismissed in their entirety.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Norman R. Cohen, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Noel C. Purdie, on February 27, 1995, and by the Respondent Smith Barney Shearson, Inc., on May 22, 1995, and by Respondent Conrad Tetrault, on May 23, 1995.

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 Claimant Noel C. Purdie, against the Respondents Smith Barney Shearson, Inc. and Conrad Tetrault, are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Noel C. Purdie, shall be retained by the NASD, Inc.

AFFIRMATION

STATE OF

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SS:

COUNTY OF

I, HERMAN R. COHEN, 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.



Signature of Arbitrator

DATE OF DECISION:

February 29, 1996