

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

William F. Terrill

95-04770

Name of Respondents

The Robinson-Humphrey Company, Inc.
T. Scott Watkins

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 10, 1995, Claimant William F. Terrill ("Claimant"), who appeared Pro Se, alleged that Respondent The Robinson-Humphrey Company, Inc. ("RHC") through its representative, Respondent T. Scott Watkins ("Watkins"), Inc. ("RHC") mishandled his account due to negligence and bad advice. Claimant alleged that Watkins recommended he purchase shares of American Studios ("AMST") which he followed to his detriment. Claimant contended that as the stock tumbled in price, Watkins told him to keep it and to purchase more shares. Claimant further contended that the price has never recovered as Watkins led him to believe. Claimant alleged that the Respondents should have limited his losses to 10% of his initial investment.

Respondents The Robinson-Humphrey Company and T. Scott Watkins through their representative and in-house counsel at Smith Barney Inc., New York, NY, maintained that any losses Claimant incurred from his investment in AMST were due to unforeseeable market condition, not from any wrongdoing on their part. Respondents further maintained that Claimant was informed that the stock was aggressive and entailed risk, a concept he understood through prior purchases. Respondents contended that Claimant was informed of a negative change in market conditions but he decided to purchase more shares. Respondents further contended that Claimant never expressed an intention to invest for a period of one year, nor did he indicate a desire to limit his losses. Respondents maintained that Claimant only has an unrealized loss, and that as a result of the above, they should not be held liable.

RELIEF REQUESTED

Claimant William F. Terrill, requested \$2,818.60 in actual damages plus costs, interest and filing fees.

Respondents The Robinson-Humphrey Company and T. Scott Watkins requested that the claims of the Claimant be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

The arbitrator considered and reviewed all documentation submitted by the parties concerning the Claimants request that Respondents' February 21, 1996 correspondence be barred from consideration because it was filed untimely. The arbitrator denied the request.

The arbitrator considered and reviewed all documentation submitted by the parties concerning Respondents request to bar Claimant's February 24, 1996 correspondence from consideration because it was filed untimely. The arbitrator denied the request.

AWARD

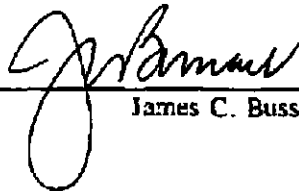
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, James C. Bussart, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on September 26, 1995, and by the Respondents, The Robinson-Humphrey Company on January 15, 1996 and Respondent T. Scott Watkins on February 1, 1996.

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 William F. Terrill against Respondents The Robinson-Humphrey Company, Inc. and T. Scott Watkins are denied 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 shall be retained by the NASD, Inc.

AFFIRMATION

I, **JAMES C. BUSSART, 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.



James C. Bussart, Esq.

DATE OF DECISION: April 4, 1996

AWARD

James C. Bussart, Esq., Arbitrator, has rendered his award in the matter of the dispute between the parties, as set forth in the award, dated September 26, 1995, and by the arbitrator, James C. Bussart, Esq., dated April 4, 1996.