

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant(s)

Janet Yip

Arbitration
No. 96-05294

Name of Respondent(s)

Smith Barney Shearson Inc.
Philip W. Holmes

REPRESENTATION

For Claimant: Robert W. Rychlik, Esq., Cupertino, California

For Respondents: Sean J. Coughlin, Esq., Smith Barney Inc., New York, New York

CASE INFORMATION

Statement of Claim filed: November 26, 1996

Claimant's Submission Agreement signed: November 26, 1996

Joint Statement of Answer filed by Respondents: January 28, 1997

Respondents' Submission Agreements signed as follows:

Philip W. Holmes: February 3, 1997

Smith Barney Inc. (also known as Smith Barney Shearson Inc.):
January 28, 1997

HEARING INFORMATION

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

Hearing Date(s)/Session(s): January 21, 1998 (two sessions)
January 22, 1998 (two sessions)

Hearing Location: San Francisco, California

CASE SUMMARY

Claimant alleged that Respondents breached their contractual duties to Claimant by unilaterally rescinding the written agreement to transfer and are liable for damages occasioned by this action; and therefore Claimant is entitled to monetary damages in the amount of \$500,000.00, and according to proof. Claimant further alleged that the various acts constitute, among others, breach of contract, breach of duty, breach of fiduciary duty, and violations of the rules and regulations of the National Association of Securities Dealers, Inc. Claimant further alleged that Smith Barney Shearson Inc. (Smith Barney) is liable for all losses sustained by Claimant as a result of the misconduct practices by Smith Barney's financial consultant and vice president Philip W. Holmes. Claimant further alleged that Smith Barney is liable for its failure to reasonably supervise or prevent the fraudulent activities that occurred with Claimant's account and alleged that Claimant has been denied the value of the stock portfolio from the time of the transfer, November 10, 1993, as well as the benefit of the increased value of the portfolio at today's market value and further alleged that the estimate of this value is approximately \$150,000.00. Claimant further alleged that she is entitled to consideration for punitive and exemplary damages for the pattern of deceit and manipulative practices occasioned by the acts of Respondents during the period of November 11, 1993 through November 29, 1993, whereby every opportunity for communication to Claimant about the truth of the circumstances was further covered up by additional deceit.

Respondents alleged that Claimant brought the above-captioned action in an attempt to enrich herself and seeks one half of a million dollars from the Respondents and alleged that Claimant claims that she is entitled to this award because the Respondents failed to execute a transfer of one half of her uncle's account from his name to her name in November, 1993. Respondents further alleged that they never breached a fiduciary duty to the Claimant as the transfer of the assets was never completed. Respondents denied Claimant's allegations and requested dismissal of Claimant's claims.

RELIEF REQUESTED

Claimant alleged that she is entitled to damages in the total amount of \$500,000.00, and according to proof, as well as reimbursement for Claimant's costs, expenses and disbursements, including reasonable attorney's fees in pursuing this arbitration proceeding; and requested such other relief as the arbitration panel deems just and proper.

Respondents requested dismissal of Claimant's claims and requested that costs, including attorneys fees be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

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 NASD Regulation, Inc. (NASDR).

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 Claimant, including the claims for punitive and exemplary damages are dismissed.

2. The panel determined that any reference to the above-captioned matter shall be expunged from the U-4 file of Philip W. Holmes. Additionally, the panel requests that any reference to the above-captioned matter be expunged from Mr. Holmes records contained in the NASDR's Central Registration Depository.

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

FORUM FEES

Pursuant to Section 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed: NASDR shall retain the \$750.00 hearing session deposit previously deposited by the Claimant. Forum fees are assessed against Claimant in the amount of \$2,250.00, calculated as follows: Four hearing sessions times \$750.00, minus the \$750.00 retained by NASDR.

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

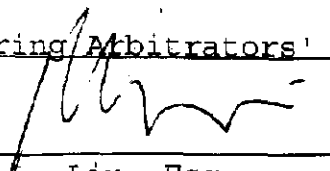
Name	Public / Industry
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Robert L. Liu, Esq.	Public Arbitrator
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Sterling N. Frost	Public Arbitrator
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Judith M. Rosenberg, Esq.	Industry Arbitrator
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Concurring Arbitrators' Signatures



Robert L. Liu, Esq.

Sterling N. Frost

Judith M. Rosenberg, Esq.

Date of Decision:

4/28/98

Date Served: February 20, 1998

Concurring Arbitrators' Signatures

Robert M. Liu, Esq.


Sterling N. Frost

Judith M. Rosenberg, Esq.

Date of Decision: _____

Date Served: February 20, 1998

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