

2/9/8

NASD REGULATION, INC. AWARD

In the Matter of the Arbitration Between

Name of Claimant

Willard D. Varner

97-00144

Names of Respondents

George P. Koumoutsos
Honor, Townsend Kent, Inc.

REPRESENTATION

Claimant Willard D. Varner ("Claimant") appeared pro se.

For Respondents George P. Koumoutsos ("Koumoutsos") and Honor, Townsend Kent, Inc. ("Honor"), (collectively "Respondents") appeared Philip J. Smith, Esq., of the firm Vorys, Sater, Seymour and Pease, located in Cincinnati, Ohio.

CASE INFORMATION

Statement of Claim filed on: January 26, 1997.

Claimant's Submission Agreement signed on: January 27, 1997.

Respondents filed a Joint Statement of Answer on: April 14, 1997.

Respondent Koumoutsos's Submission Agreement signed on: April 8, 1997.

Respondent Honor's Submission Agreement signed on: April 9, 1997.

HEARING INFORMATION

Pre-Hearing Conference: August 1, 1997 One Session

Hearing Date/Sessions: November 18, 1997 Two Sessions

The hearings were conducted at the Marriott Hotel located in Cincinnati, Ohio.

CASE SUMMARY

Claimant alleged that, in 1986, he invested a total of \$20,000.00 in South Mark Equity Company upon the recommendation of Respondent Koumoutsos, an agent of Respondent Honor. Claimant further alleged that Respondent Koumoutsos misrepresented the investment by presenting it as safe and conservative. Claimant also alleged that the investment had shown itself to be high risk and was not suitable for his investment needs.

Respondents maintained that Respondent Koumoutsos did not present the investment as safe or conservative, but rather, notified Claimant of the several risk factors involved. Respondents maintained Claimant was furnished with a copy of the prospectus for the investment and was made aware of the speculative nature of the investment, including the risks inherent in the ownership of real property and its liquidity. Respondents also maintained that Claimant was barred from seeking relief by applicable statute of limitations laws.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$70,948.00, and other fees and attorneys' costs in the amount of \$4,0551.00.

Respondents requested that the Statement of Claim be dismissed in its entirety and that they be awarded costs and other such relief that the panel deemed proper.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in 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.

The parties agreed to proceed with a panel of two arbitrators.

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. Claimant's claims against Respondents are both untimely and without merit, and are hereby dismissed in their entirety.
2. Claimant's request for attorneys' fees is hereby denied.
3. Each party shall bear its respective costs, including attorneys' fees.
4. All other requests for relief are hereby denied.

FORUM FEES

Pursuant to Rule 10332(c) of the NASD Regulation, Inc. Code of Arbitration Procedure, the arbitrators have determined that the NASD shall retain the \$150.00 non-refundable filing fee deposited by Claimant and have assessed the following forum fees:

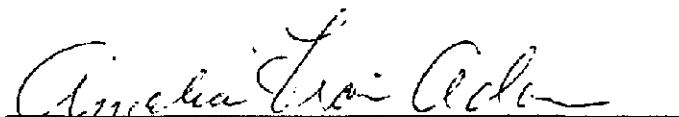
1 Pre-hearing Conference x \$500.00	=	\$ 500.00
2 Hearing Sessions x \$500.00	=	\$1,000.00
Total Forum Fees	=	\$1,500.00

The arbitrators have assessed the following forum fees:

1. Claimant be and hereby is liable for the sum of \$1,500.00, representing one-hundred percent of the total forum fees assessed. Claimant previously deposited \$500.00 with NASD Regulation, Inc., and, therefore, Claimant owes the balance of \$1,000.00.
2. Respondent Horner be and hereby is liable and shall pay the sum of \$300.00 for the Member Surcharge. Respondent Horner has not submitted the sum of \$300.00, and, therefore, owes the Member Surcharge.

Fees are payable to NASD Regulation, Inc.

ARBITRATORS' SIGNATURES



Amelia F. Adams, Esq.
Public Arbitrator - Chairperson

Date of Decision: February 20, 1998

Willis E. Adams, II
Industry Arbitrator

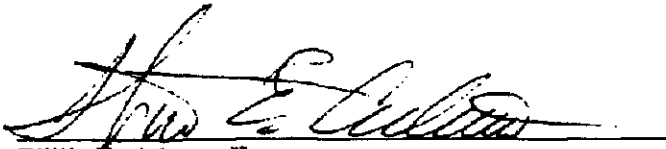
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ARBITRATORS' SIGNATURES

Amelia F. Adams, Esq.
Public Arbitrator - Chairperson



Willis E. Adams, II
Industry Arbitrator

Date of Decision: February 20, 1998