

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between )  
CHARLES R. CALVERT )  
 )  
 ) Claimant )  
 ) and )  
 ) TRAVELERS EQUITIES SALES, INC. )  
 )  
 ) Respondent )

CASE NO. 89-02773

CASE SUMMARY

Charles R. Calvert ("Claimant") alleged that Travelers Equities Sales, Inc. ("Respondent"):

1. recommended the purchase of Keystone Blue Ash 3 Limited Partnership ("the investment") which was unsuitable for the Claimant;
2. misrepresented and omitted to state material facts regarding the investment including but not limited to the tax ramifications, risks, conflict of issue between the Respondent and Keystone, and the refinancing issue;
3. failed to deliver a private placement memorandum or other prospectus which would have informed the Claimant of the material terms of the investment.

Respondent denied all of the Claimants claims and further alleged that

- 1) the Claimant was fully informed all of the material terms of the investment;
- 2) the Claimant's claim is barred laches, estoppel, assumption of the risk, comparative negligence, and the fact that the Claimant misrepresented facts relating to himself, and his background and finances;
3. Claimants' claim fails to state a claim for which relief can be granted and is barred by the statute of limitations.

RELIEF REQUESTED

Claimant requested that his transaction with the Respondent be rescinded. Respondent requested that the claim of the Claimant be dismissed.

AWARD

On June 11, 1990, during a hearing lasting two (2) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on October 3, 1989 by Claimant Charles R. Calvert and on December 18, 1989 by J. Donald Gravery on behalf of the Respondent. The NASD received the Claimant's claim on October 10, 1989. The hearing was held in Denver, Colorado.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. The Respondent shall be liable for and shall pay to the Claimant Two Hundred Thirty Six Thousand Dollars and 00/100 (\$236,000.00);
2. The Claimant shall transfer, assign, and deliver to the Respondent all of his interest in the four units of Keystone Blue Ash 3 Limited Partnership;
3. The parties shall bear their own costs including attorneys' fees;
4. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$750.00 filing fee previously deposited with the NASD by the Claimant and the Claimant shall pay an additionally \$750.00 filing fee to the NASD.

By the Panel

Dated: 6-6-90 /S/

Carol J. Zamporini  
Carol J. Zamporini  
Presiding Chair

Dated: July 10 1990 /S/

Neil D. Naiden  
Neil D. Naiden, Esq.

Dated: 7/13/90 /S/

John D. McKenna  
John D. McKenna

Date Served: 7-16-90