

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, New York 10004

In the Matter of the Arbitration BetweenName of Claimants

Wilbur & Miriam Reinfeld

vs.

Case #
90-01376

Name of Respondents

Conceptual Financial Advisory
J. Don Braden
Milton Parsons

REPRESENTATION

For Claimant: Peter J. Anderson, Esq. of Peterson Dillard Young Self & Asselin.

For Respondents: Terry R. Weiss, Esq. of Smith, Gambrell & Russell.

CASE INFORMATION

Statement of Claim filed: May 11, 1990.

Claimants signed Submission Agreement on: April 24, 1990.

Joint Statement of Answer and Counterclaim filed on: September 10, 1990.

Conceptual Financial Advisory Corp. signed Submission Agreement on: September 07, 1990.

J. Don Braden signed Submission Agreement on: September 07, 1990.

Milton Parsons signed Submission Agreement on: September 07, 1990.

Claimants' Answer to Respondents' Counterclaim filed: September 24, 1990.

Joint Supplement to Answer and Counterclaim filed: October 22, 1990.

HEARING INFORMATION

Pre-hearing Conference Dates and Sessions:

May 06, 1991 - One Session;

June 27, 1991 - One Session;

July 05, 1991 - One Session.

Hearing Dates and Sessions:

July 25, 1991 - Three Sessions;
July 26, 1991 - Two Sessions;
July 30, 1991 - Three Sessions;
July 31, 1991 - Three Sessions.

Hearing Location: Atlanta, Georgia.

CASE SUMMARY

Claimants, Wilbur V. and Miriam Reinfeld, allege that Respondents, J. D. Braden, Milton Parsons, and Conceptual Financial and Advisory Corporation (hereinafter CFAC), violated state and federal law and the NASD Rules in the handling of Claimants financial affairs and that Braden's misfeasance resulted in financial losses to Claimants. Specifically, Claimants allege that Braden recommended unsuitable tax planning strategies for them and misrepresented the risk involved in the investments solely to generate commissions. Claimants allege that Braden purchased the following real estate limited partnerships which amounted to half of their entire portfolio including their home: KCC-Shady Hollow, Lake Oswego, Consolidated Resources Health Care IV, Consolidated Capital Institution Properties, II, Johnstown America, Landsing Institutional Properties, Centennial Mortgage Income, NTS Properties VI and failed to advise them that the viability of these investments depended on the performance of the real estate market. Claimants further allege that CFAC and its president, Parsons, failed to properly supervise Braden or service Claimants' account after Braden left CFAC. Claimant also alleges that they advised Braden that they wanted to invest their money into safe interest-bearing vehicles which would provide them with a yearly income after their initial start-up costs when they moved to Israel and that they wanted the remainder of the income from their portfolio reinvested so that they could give their four children \$100,000.00 each upon their marriage.

Respondents deny all material allegations set forth in the Statement of Claim. Respondents contend that Claimants are educated and sophisticated investors who had engaged in a variety of aggressive trading strategies that allowed them to retire and move to Israel prior to attaining the age of forty. Respondents contend that the investment strategies were consistent with Claimants' investment objective which was to pursue more aggressive trading strategies where there was a greater potential for larger rewards. Respondents contend that the claims asserted are barred by applicable statutes of limitations, that Claimants authorized, consented to or ratified every trade, failed to exercise due diligence or reasonable care, assumed all risks and failed to mitigate their damages.

Respondents interposed a Counterclaim for financial, management and administrative services rendered to the Claimants for which they have not paid.

Claimants deny each and every allegation set forth in the Counterclaim and contend that Respondents' claim is barred by the applicable statutes of limitations and seven affirmative defenses.

RELIEF REQUESTED

Claimants request that the Panel dismiss the Counterclaim and render an award against Respondents, jointly and severally as follows:

(a) Rescission for all of the real estate limited partnership shares and real estate mortgage participation the Claimants purchased on Braden's recommendation;

(b) Damages in excess of \$200,000.00 for losses suffered as a result of the Respondents' breach of fiduciary duty in recommending unsuitable investments and transactions for their account;

(c) Damages suffered and unnecessary expenses incurred as a result of Respondents' negligent administration of their portfolio and negligent handling of the financial correspondence;

(d) Return of commissions paid to Braden as a result of Respondents' breach of duty and misrepresentations;

(e) Return of all fees paid to Respondents;

(f) Costs, expenses, disbursements, including attorney's fees incurred in bring this action;

(g) Interest;

(h) Punitive damages in excess of \$500,000.00;

(i) Such other relief as the Panel deems just and proper.

Respondents request that the Panel dismiss all claims asserted by the Claimants, enter an award in favor of Respondents for the fair market value of the services rendered together with all out-of-pocket expenses, pre-judgment and post-judgment interest at the legal rate, all expenses of this litigation, including reasonable attorney's fees and such other and further relief as may be just and proper.

OTHER ISSUES

At the end of the Claimants' case Respondents made a Motion to Dismiss the claims based upon the statute of limitations. The Panel denied the Motion.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions, the undersigned arbitrators has decided in full and final resolution of the issues submitted for determination as follows:

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

1. Respondents, J. D. Braden and Milton Parsons, are hereby jointly and severally liable to the Claimants and shall pay them Eighty Two Thousand Eight Hundred and Thirty Seven Dollars and Zero Cent (\$82,837.00), including interest;

2. The claims asserted against Respondent, Conceptual Financial Advisory Corporation are denied;

3. The claim for rescission is denied;

4. The claim for punitive damages is denied;

5. The claim for attorney's fees is denied;

6. All other claims are denied.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed and any deposit previously made by the parties will be applied to the amounts assessed:

1. The NASD has received and shall retain the \$1,000.00 filing fee paid by the Claimant;

2. The NASD has received and shall retain the \$100.00 filing fee paid by the Respondents;

3. Forum fees in the amount of \$11,900.00 for eleven hearing sessions at \$1,000.00 per session and three (3) pre-hearing conferences at \$300.00 per conference have been assessed and sixty percent of said fees shall be borne by J. D. Braden and forty percent by Milton Parsons;

4. Claimants are assessed a non-refundable filing fee of \$250.00;

5. Claimants are further assessed \$500.00, half of the \$1,000.00 fee for postponement of the March 11, 1991 and March 12, 1991 hearing dates. Claimants are entitled to a refund of \$250.00;

6. Therefore, the total forum fees, excluding the award, assessed against J.D. Braden are \$7,140.00, who shall satisfy this assessment by reimbursing Claimants \$250.00 and remitting the balance \$6,890.00 to the NASD;

7. The total forum fees assessed against Milton Parsons are \$4,760.00.

Fees are payable to the National Association of Securities Dealers, Inc.

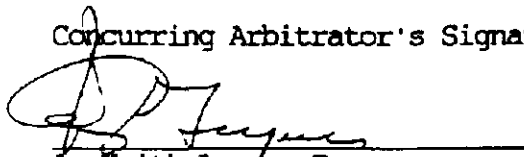
ARBITRATION PANEL

A. Keith Logue, Esq.

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Chairperson/Public
Public
Industry

Concurring Arbitrator's Signature


A. Keith Logue, Esq.

Date of Decision:

Dated by the NASD: October 2, 1991

ARBITRATION PANEL

Letsa Doster Marietta

Public

Concurring Arbitrator's Signature


Letsa Doster Marietta

Date of Decision:

Dated by the NASD: October 2, 1991

ARBITRATION PANEL

A. Keith Logue, Esq.	-	Chairperson/Public
Letsa Doster Marietta	-	Public
J. Coleman Budd	-	Industry

Concurring Arbitrator's Signature


J. Coleman Budd

Date of Decision:

Dated by the NASD: October 2, 1991