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NASD, INC

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

ARBITRATION

ROBERT MIKLOSKI and MASAE)	NASD Case No. 90-02148
MIKLOSKI,)	
)	ARBITRATOR'S RULING ON CLAIM
Claimants,)	
)	
v.)	
)	
SENTRA SECURITIES CORPORATION)	
and W. SKIP YOUNG,)	
)	
Respondents.)	

REPRESENTATION

Claimants were represented by William R. McGee, Esquire, of Rosner, Law & McGee. Respondent W. Skip Young represented himself. Respondent Sentra Securities Corp. was represented by Jeffrey S. Kob, Esquire, of Miller & Milove.

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on August 7, 1990. Claimants alleged that the recommended investments in two limited partnerships were not suitable to their financial goals and objectives and Claimants did not qualify under the respective subscription agreements of either investment; that respondents did

1 not disclose nor discuss the suitability requirements of the
2 limited partnerships with the claimants prior to the investments;
3 and that respondents failed to provide prospectuses on each
4 limited partnership investment.

5 Respondent Sentra Securities Corporation denied the
6 allegations and asserted twenty-two affirmative defenses including
7 failure to state a cause of action, no private right of action,
8 statutes of limitations, estoppel, comparative negligence,
9 assumption of the risks, waiver, laches, ratification, and unclean
10 hands.

11 Respondent W. Skip Young denied the allegations and
12 maintained that he recommended other investment vehicles to the
13 Claimants and they chose to invest in the limited partnerships now
14 complained of. Respondent Young further maintained that he
15 discussed the suitability requirements of each investment with the
16 Claimants; that Claimants acknowledged that they met the
17 suitability standards when they signed the respective Subscription
18 Agreements; and that they received copies of the prospectuses when
19 the Subscription Agreements were physically torn out of the
20 prospectus and given to the Claimants to be signed.

21 DAMAGES AND RELIEF REQUESTED

22 Claimants requested damages in their Statement of Claim of
23 \$17,619 representing the initial investment of \$20,000 less
24 disbursements of \$2,381; a rate of return of 8% on the investment
25 principal; and costs of arbitration.

26 Respondents requested dismissal of the claim in its
27 entirety and an award of costs.

28 PRE-HEARING CONFERENCE

1 On June 13, 1991 a pre-hearing conference was held pursuant
2 to Section 32 of the Code of Arbitration Procedure via telephone
3 conference call which lasted one (1) session. On June 20, 1991, a
4 second pre-hearing conference was held via telephone conference
5 call which lasted one (1) session.

6 **DAMAGES AND RELIEF AWARDED**

7 On June 26 and 27, 1991 the undersigned arbitrator heard
8 the controversy between the parties as set forth in submissions to
9 arbitration signed by Claimants on July 26, 1990 and by Respondent
10 Sentra Securities Corporation on October 4, 1990. Respondent W.
11 Skip Young did not sign a submission agreement but is subject to
12 the jurisdiction of this arbitration pursuant to Sections 1 and 12
13 of the Code of Arbitration Procedure, and appeared at the hearing
14 to represent himself, give testimony, and cross-examine witnesses.

15 The hearing was conducted in san Diego, California and
16 lasted four (4) sessions. The record remained open until July 23,
17 1991, when the parties submitted post-arbitration briefs. The
18 arbitrator, having considered all pleadings, the testimony, and
19 the evidence presented at the hearing, has determined in full and
20 final resolution of the issues submitted as follows:

- 21 1. Respondents Sentra Securities Corporation and W. Skip
22 Young are jointly and severally liable for rescission
23 of claimants' investments in the two limited
24 partnerships: Tri-Fund Limited Partnership in the
25 amount of Fifteen Thousand Dollars (\$15,000.00), and
26 in Wells Real Estate Fund I in the amount of Five
27 Thousand Dollars (\$5,000.00), less disbursements to
28 Claimants to date of at least Two Thousand Three

Hundred Eighty-One Dollars (\$2,381.00).

2. Respondents shall pay to Claimants interest of Eight Percent (8%) per annum on principal invested in the two partnerships from time of investment to date.
3. Respondents shall reimburse Claimants for their filing fee previously deposited with the NASD and an additional Nine Hundred Dollars (\$900.00) in forum fees.
4. The parties shall each bear their respective costs including attorneys' fees.
5. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the Four Hundred Dollar (\$400.00) filing fee previously deposited by the Claimant.

Dated:

Dec 18, 1991

ROBERT D. ROSE, NASD ARBITRATOR

DATE SERVED: 12/26/91