

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Charles DeLorean

92-02238

Name of Respondent

Shearson Lehman Brothers, Inc.

REPRESENTATION

For Claimant Charles DeLorean ("Claimant"): John M. Manos, of Manos & Company.

For Respondent Shearson Lehman Brothers ("Shearson"): Robert N. Rapp, of Calfee, Halter et al.

CASE INFORMATION

Statement of Claim filed: July 6, 1992.

Claimant's Submission Agreement signed on: May 28, 1992.

Statement of Answer filed by Respondent on: August 13, 1992.

Respondent Submission Agreement signed on: July 29, 1992.

HEARING INFORMATION

Hearing Date/Session: April 14, 1993/1 session

Hearing Location: NASD, Cleveland, OH

CASE SUMMARY

Claimant alleged that during November 1998, he received reprints of three (3) articles from his broker at Shearson regarding purchasing failed thrifts. Claimant further alleged the broker introduced Claimant to the opportunity to invest in a limited partnership fund being formed by America First Companies ("America") in which Shearson was the exclusive sales agent of the fund interests. Claimant alleged he was assured his investment would be placed in an interest bearing account pending acquisition of a thrift; there would be distributions from income made

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pending the acquisition; and if no acquisition was made, Claimant would receive his principal investment returned. Claimant also alleged he purchased units of the partnership through his account at Shearson, and was not provided with a prospectus prior to his investment. Claimant further alleged that on December 13, 1998, he received correspondence from America which appeared to ratify statements made by Shearson.

Claimant alleged he received some return on his investment from 1989 through 1991; however sometime after June 10, 1991, he received correspondence from Shearson advising that America First Financial Fund 1988 Limited Partnership ("Fund") was to be dissolved. Claimant alleged he then discovered his principal investment would not be returned in full.

Respondent alleged Claimant received an Offering Memorandum which set forth the public offering expenses of the Fund. Respondent maintained the objective of America First was to purchase one or more troubled, but potentially profitable, financial institutions in a government-assisted transaction. Respondent asserted the General Partner of the Fund had experience with troubled financial institutions. Further, Respondent maintained in or about June 1991, the Fund was notified by the FDIC that its final bid for Goldome Savings (which had been the target of the Fund's acquisition efforts since the summer of 1990) had been rejected. Respondent maintained that in accordance with the terms of the Offering Memorandum, it determined it would return its investors' monies.

Respondent denied that any representation was made to Claimant that his investment would be placed in an interest bearing account for his benefit or that his investment would be returned to him if no acquisition was consummated. Respondent asserted that the risky nature of the Fund was set forth in the Offering Memorandum. Finally, Respondent asserted that the Offering Memorandum disclosed that certain fees and expenses would be deducted in the event that investor monies were returned.

RELIEF REQUESTED

Claimant requested: rescission and actual damages in the amount of \$49,079.00, inclusive of statutory interest at the rate of ten (10%) percent from December 7, 1988 through July 8, 1991; costs; and attorneys' fees.

Respondent requested: the Claim be denied in its entirety; costs and expenses.

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

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receive conformed copies of the Award while the originals remain on file with the NASD.

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. The claims of Claimant Charles DeLorean are denied;
2. All other claims are denied;
3. Each party shall bear its own expenses, including attorneys' fees.

FORUM FEES

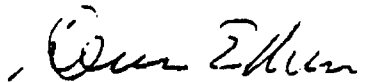
Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$100.00 non-refundable filing fee previously paid by Claimant and the following Forum Fees are assessed.

1 session X \$400.00 = \$400.00 minus hearing session deposit of \$400.00 = net \$0.00 due.

Forum fees Assessed Against:

1. Claimant Charles DeLorean is hereby liable in the amount of \$400.00; however, in lieu of further payment, the NASD shall retain the \$400.00 hearing session deposit.

Arbitrator Signature



Dennis E. Minni/Public Arbitrator

Date of Decision: May 4, 1993

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Robert C. Devlin/Public Arbitrator

Date of Decision: May 4, 1993

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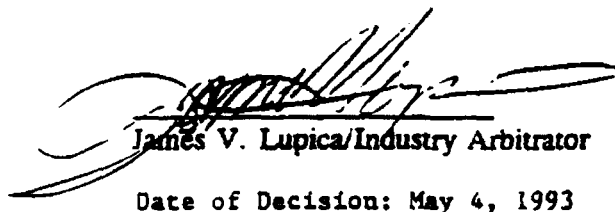
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Arbitrator Signature


James V. Lupica/Industry Arbitrator
Date of Decision: May 4, 1993