

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

Frank A Perreten, ttee.

and

92-03907

Name of Respondents

Unex Capital Corporation, Finley H. Martel, and
Lawrence R. Hazlewood

REPRESENTATION OF PARTIES

Frank A Perreten, ttee. ("Claimant") appeared *pro se*.

Finley H. Martel ("Martel") appeared *pro se telephonically*.

Respondents Unex Capital Corporation and Lawrence R. Hazlewood did not appear.

CASE INFORMATION

The Statement of Claim was filed on or about November 18, 1992. Submission Agreement of Claimant was signed on November 6, 1992.

Statement of Answer was filed by Respondent Finley Martel on or about June 25, 1993.

HEARING INFORMATION

The hearing was held on Tuesday, June 29, 1993 in Denver, Colorado for a total of two (2) sessions.

CASE SUMMARY

Claimant alleged that Respondents Unex Capital Corporation, Finley H. Martel, and Lawrence R. Hazlewood (collectively as "Respondents") made material misrepresentation and omitted to state material facts in connection with his purchase of various limited partnerships. Specifically, Claimant alleged that Respondents withheld information on partnerships, did not properly form partnerships that they were required to form pursuant to the offering documents, did not drill certain prospects that they were supposed to drill, and did not apply proceeds in the manner stated in the offering documents. The partnerships in question are: Development IV,

Development VI, and Acquisition I,II,III.

Respondent Finley Martell denied the allegations set forth in the Statement of Claim and asserted the following affirmative defenses: the complaint fails to state a claim against him, he did not violate any rules or regulations of the N.A.S.D., he maintained communications with the Claimant at all times relevant, and that he did not make any material representations to the Claimant.

RELIEF REQUESTED

Claimant requested the return of his investment in the amount of \$ 218,000.00, retention of all distributions and unspecified consequential damages.

Respondent Finley Martel requested that the claims asserted against him be dismissed.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the panel has determined that Respondents Unex Capital Corporation and Lawrence R. Hazlewood had been properly served with the Statement of Claim pursuant to §13 and §25 of the N.A.S.D. Code of Arbitration Procedure (the "Code"). The panel also determined that Respondents Unex Capital Corporation and Lawrence R. Hazlewood had received due notice of the hearing as required under §26 of the Code and that arbitration of the matter would proceed pursuant to §29 of the Code.

Respondents Unex Capital Corporation, Finley H. Martel, and Lawrence R. Hazlewood did not file with the N.A.S.D. a properly executed submission to arbitration but is required to submit to arbitration pursuant to §12 of the N.A.S.D. Code of Arbitration Procedure (the "Code") and Respondent Finley Martel having answered the claim, appeared and testified telephonically at the hearing is bound by the determination of the arbitration panel on all issues submitted.

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(s) remain on file with the N.A.S.D..

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. Respondents Unex Capital Corporation and Lawrence Hazlewood shall be and hereby are jointly and severally liable for and shall pay to the Claimant Frank A. Perreten, ttee. the

sum of *two hundred two thousand one hundred sixty eight dollars* (\$202,168.00).

2. Interest at the rate of 8% per annum is awarded on the aove stated sum from and inclusive of November 1, 1992 to and inclusive the date this award is paid in full.
3. The claims asserted against Finley H. Martell in this matter shall be and hereby are dismissed in their entirety.

FORUM FEES

Pursuant to §43(c) of the N.A.S.D. Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("N.A.S.D.") shall retain the non-refundable filing fee in the amount of \$200.00 and shall retain as forum fees the hearing session deposit in the amount of \$750.00 previously deposited with the N.A.S.D. by the Claimant. Respondents Unex Capital Corporation and L.R. Hazlewood shall be and hereby are jointly and severally liable for and shall pay to the N.A.S.D. the sum of \$750.00 as additional forum fees.

Forum fees are calculated at the rate of \$750.00 per hearing session and \$300.00 for each prehearing conference, if any.

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

Dated:

s/ Gilbert L. McSwain, Esq.
Gilbert L. McSwain, Esq.
Public Arbitrator, Presiding Chair

July 22, 1993

s/ William H. Long, Esq.
William H. Long, Esq.
Public Arbitrator

July 23, 1993

s/ Martin M. Berliner, Esq.
Martin M. Berliner, Esq.
Industry Arbitrator

July 22, 1993