

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

John and Anna Elizabeth Denver

Case No. 92-04338

Name of Respondent(s)

David Lerner Associates
George Villasi

REPRESENTATION

For Claimants, John and Anna Denver (the "Denvers"): Allan J. Fedor, Esq. and
Francis Fedor, Esq. of Fedor & Fedor, Largo, Florida.

For Respondents, David Lerner Associates ("DLA") and George Villasi
("Villasi"): Ruthann Niosi, Esq. of New York, New York.

CASE INFORMATION

Statement of Claim filed: December 21, 1992. Claimants' Submission Agreement
signed on February 2, 1993.

Respondents' Statement of Answer filed on October 14, 1993. Respondents'
Uniform Submission Agreements signed on February 2, 1993.

HEARING INFORMATION

On June 21 and 22, 1994, in Tampa, Florida, a hearing lasting three (3) sessions
was conducted.

CASE SUMMARY

Claimants alleged that despite their stated investment objectives Respondents
recommended that they purchase two limited partnerships: Villa Rouge Associates
("Villa Rouge") for \$33,000.00, a private offering, and Birtcher Real Estate
Income Partners III ("Birtcher III") for \$50,000.00.

Prior to making these purchases, Claimants had never before invested in limited partnerships. Claimants further alleged that they never received an offering circular or prospectus for either of the limited partnerships, that such purchases were unsuitable for them and that Respondents misrepresented the investments to them.

Respondents denies all allegations. Respondents contend that the investments were suitable for the Claimant who were extensively 'known' by them that Claimants signed notarized suitability documentation in order to purchase Villa Rouge, and were additionally interviewed by a General Partner relative to their suitability prior to the purchase being effected.

Respondents contended that Respondent, Villasi, left with Claimants the offering disclosure documents for each investment prior to them purchasing, that Claimants represented they had reviewed same with an attorney and accountant, and that second copies of the disclosure documents were additionally mailed to the Claimants.

Respondents asserted numerous affirmative defenses in their Answer and in addition asserted in a Motion that the Claim is time barred under Section 15 of the NASD Code of Arbitration Procedure.

RELIEF REQUESTED

Claimants requested compensatory damages in excess of \$155,000.00, including interest, plus costs, expenses, and reasonable attorneys' fees and rescission of the two limited partnership purchases.

Respondents requested that all claims be dismissed in their entirety, and that the costs of the hearing be held against the Claimants.

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 receive conformed copies of the Award while the original(s) remain on file with the NASD.

The ruling by the Director of Arbitration on the Respondents' Section 15 Motion was affirmed by the Panel.

AWARD

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

1. Respondents, DLA and Villasi, are found not liable and, therefore, all claims against them are hereby dismissed.
2. Claimants request for interest, expenses, reasonable attorneys' fees and rescission of two limited partnership purchases are denied.

OTHER COSTS

Other than Forum Fees detailed below the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of \$1,500.00 (\$500.00 x three sessions).

1. Respondent, Villasi, is hereby assessed all forum fees totaling \$1,500.00, of which \$1,000.00 shall be paid to the National Association of Securities Dealers, Inc.
2. Respondent, Villasi, shall pay the Claimants \$500.00, such amount being the \$500.00 hearing session deposit previously paid by the Claimants to the NASD.
3. The NASD shall retain the non-refundable filing fee of \$150.00 paid by the Claimants.

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

NASD Award No. 02-04393

Concurring Arbitrators' Signatures

/s/
Bruce A. Beery

Public

/s/
Ronald A. Ronz, C.P.A.

Public

/s/
Harold C. Anders

Industry

Date of Decision:

7/19/94