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JUN 6 1991

M.S.R.B.

In the Matter of the Arbitration between :

DAN SHANNON :

Claimant, :

AWARD

v. :

MS90-37

JOHN GORMAN :

SC0-023

Respondent. :

The Undersigned, pursuant to section 31 of MSRB G-35, hereby states as follows:

#### CASE SUMMARY

Claimant alleges that on June 2, 1989 he purchased from Respondent, a representative of APS Financial Corporation, \$25,000 face amount Maricopa County, Arizona Hospital Revenue Bonds (Pheonix General Hospital), 1985 Series A, 8.5%, due 1-1-16 (the "Bonds"). Claimant alleges that approximately two months later he received a letter from the trustee and "was shocked to learn that the Bonds were experiencing difficulty in meeting the monthly payments to the trustee," and Claimant subsequently sold the Bonds. Claimant contends that Respondent knew that the Bonds were "having problems" and in technical default at the time of sale.

Respondent denies Claimant's allegations of wrongdoing and denies that the bonds were in default at the time of sale. Respondent contends, among other things, that Claimant's claims are barred by laches and/or estoppel and that Claimant failed to mitigate damages. Respondent also maintains that Claimant was aware of the risks associated with speculative investments and voluntarily assumed such risk. Respondent further contends that the damages allegedly suffered by Claimant were caused by unforeseen market factors and conditions for which Respondent should not be held liable.

#### RELIEF REQUESTED

Claimant seeks to recover \$2,097.93, which he lost when he sold the Bonds, and his \$25 arbitration deposit.

Respondent requests that the claims of the Claimant be denied in their entirety and that all costs including reasonable attorney fees be assessed against Claimant and awarded to Respondent.

**AWARD**

The undersigned arbitrator reviewed the controversy between the parties set forth in submissions to the arbitrator signed by the Claimant on June 18, 1990 (filed with the MSRB on June 22, 1990) and by the Respondent on August 2, 1990. The undersigned, having considered the matter solely upon the pleadings and evidence submitted by the parties, pursuant to section 34(f) of MSRB rule G-35, has determined, in full and final resolution of the issues submitted for determination, that:

1. Respondent shall pay to Claimant \$2,097.93.
2. Respondent's counterclaim is hereby dismissed in its entirety.
3. Pursuant to section 2 of MSRB rule A-16, Claimant's \$25. arbitration deposit shall be refunded to the Claimant by the MSRB.

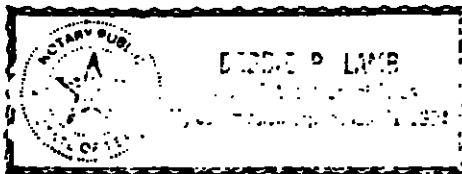
Dated: 6/5/91

\_\_\_\_\_  
Public Arbitrator

STATE OF  
COUNTY OF

ss.:

On this 5th day of June, 1991, before me personally appeared \_\_\_\_\_ to me known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.



\_\_\_\_\_  
Notary Public

## AWARD

The undersigned arbitrator reviewed the controversy between the parties set forth in submissions to the arbitrator signed by the Claimant on June 18, 1990 (filed with the MSRB on June 22, 1990) and by the Respondent on August 2, 1990. The undersigned, having considered the matter solely upon the pleadings and evidence submitted by the parties, pursuant to section 34(f) of MSRB rule G-35, has determined, in full and final resolution of the issues submitted for determination, that:

1. Respondent shall pay to Claimant \$2,097.93.
2. Respondent's counterclaim is hereby dismissed in its entirety.
3. Pursuant to section 2 of MSRB rule A-16, Claimant's \$25. arbitration deposit shall be refunded to the Claimant by the MSRB.

  
John A. Selman

Dated: 6/5/91

STATE OF  
COUNTY OF

ss.:

On this 5<sup>th</sup> day of June 19<sup>91</sup>, before me personally appeared John A. Selman to me known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

