



APR 22 1991

MSRB

In the Matter of the Arbitration between	:	
	:	
CARL RAVENS and LILLIAN RAVENS,	:	AWARD
Claimants,	:	
v.	:	
	:	MS90-61
MUNICIPAL INVESTORS SERVICE, INC.,	:	SCO-035
Respondent.	:	
	:	

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

#### CASE SUMMARY/RELIEF REQUESTED

On April 23, 1987, for settlement April 30, 1987, Claimants purchased from Respondent \$10,000 face amount of City of Covington, Kentucky, Health Care Project Revenue Bonds, Series 1972, 8%, due July 1, 1997 ("the Bonds"). Claimants allege that they paid \$528.80 over par for the Bonds based on Respondent's assurance that "the earliest redemption might be 1996 and the yield would be 7.25%." The aforementioned statements are supported by the confirmation furnished to Claimants by Respondent. On July 1, 1990, \$5,000 face amount of the Bonds were redeemed, and Claimants seek to recover \$264.40 in lost premium.

Respondent denies Claimant's allegations. Respondent contends that the Bonds were represented as "Aaa Moody's and as being pre-refunded to 1-1-96 @ 101 which represented a 7.25% yield to the call." Respondent contends that its representatives explain to customers at the time of trade that sinking fund calls may exist, and that this is disclosed on the back of Respondent's confirmation by the following statement:

If these securities are callable, and they are called, the yield that you realize may differ from the yield indicated on this confirmation. Information concerning the call provisions of these securities will be provided upon request.

Respondent also maintains that specific sinking fund dates are provided on the confirmation when the information is available. Respondent contends that, in this case, the information was not available since the bonds were issued in 1972 and a prospectus

was not available. Respondent contends that Moody's Municipal and Government Manual also provided no additional information.

#### AWARD

The undersigned arbitrator reviewed the controversy between the parties set forth in submissions to the arbitrator signed by Claimants on September 5, 1990 (filed with the MSRB on October 5, 1990) and by Respondent on November 9, 1990. The undersigned, having considered the matter solely upon the pleadings and evidence submitted by the parties, pursuant to section 34 of MSRB rule G-35, has determined, in full and final resolution of the issues submitted for determination, as follows:

1. For Claimants in the amount of \$264.40.
2. The filing fee of \$15 shall be retained by the Municipal Securities Rulemaking Board.

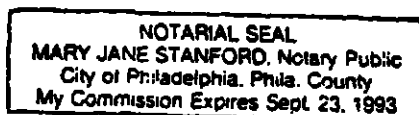
\_\_\_\_\_  
Public Arbitrator

Dated: 4-17-91

STATE OF *Pennsylvania* ss.:  
COUNTY OF *Philadelphia*

On this *17th* day of *April*, 19 *91*, 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.

*Mary Jane Stanford*

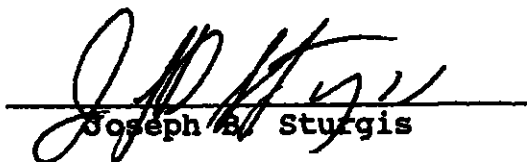


was not available. Respondent contends that Moody's Municipal and Government Manual also provided no additional information.

#### AWARD

The undersigned arbitrator reviewed the controversy between the parties set forth in submissions to the arbitrator signed by Claimants on September 5, 1990 (filed with the MSRB on October 5, 1990) and by Respondent on November 9, 1990. The undersigned, having considered the matter solely upon the pleadings and evidence submitted by the parties, pursuant to section 34 of MSRB rule G-35, has determined, in full and final resolution of the issues submitted for determination, as follows:

1. For Claimants in the amount of \$264.40.
2. The filing fee of \$15 shall be retained by the Municipal Securities Rulemaking Board.

  
Joseph B. Sturgis

Dated: 4-17-91

STATE OF *Pennsylvania* ss.:  
COUNTY OF *Philadelphia*

On this *17th* day of *April*, 19 *91*, before me personally appeared Joseph B. Sturgis 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.

