

**Respondent.**

- \$25,000 face amount of Roxborough Village Metropolitan District, Douglas County, Colorado, General Obligation Refunding and Improvement Bonds, Series 1986, 9.875%, due 6/1/06, purchased by Claimant 11/30/88;
- \$100,000 face amount of Town of Castle Rock, Colorado, Local Improvement District No. 1988-2 Special Assessment Bonds, Series 1988, 10.375%, due 12/1/08, purchased by Claimant on 12/19/88;

Respondent denies the aforementioned allegations of the Claimant. Respondent also argues, among other things, that Claimant has failed to mitigate its damages, if any; that Claimant's claims and any damages are barred by reason of Claimant's own knowledge of and familiarity with, or responsibility to be aware of, the risks associated with the subject investments; that Claimant's damages, if any, were caused by factors or the conduct of other persons over which and whom Respondent had no control or no duty to control; and that Claimant's claims are barred in whole or in part by applicable statutes of limitation and by the doctrines of estoppel, waiver, acquiescence, and ratification.

RELIEF REQUESTED

Claimant seeks rescission of the aforementioned bonds at issue in exchange for damages in the amount of \$488,854.74, plus interest at the rate of 8% from 7/14/92 to the conclusion of this matter. Claimant also seeks Claimant's attorneys' fees and costs in the approximate amount of \$76,408.70, and unspecified exemplary or punitive damages.

Respondent requests that Claimant's claims be dismissed in their entirety and that Respondent be awarded its attorneys' fees and costs.

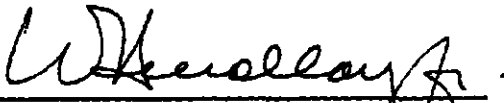
AWARD

On July 13-15, 1992, and August 31-September 4, 1992, in Denver, Colorado, the undersigned arbitrators heard the controversy between the parties set forth in submissions to the arbitrators signed by Claimant on April 10, 1991 (filed with the MSRB on July 30, 1991) and February 25, 1992, and by Respondent on September 19, 1991. The arbitration panel, having considered the pleadings, the testimony and the evidence presented at and after the hearings, has determined, in full and final resolution of the issues submitted for determination, as follows:


1. Claimant shall be awarded rescission on the Roxborough and Colorado Centre bonds at issue. The parties shall effect said rescission via a simultaneous exchange as follows: Claimant shall deliver to Respondent the

Roxborough and Colorado Centre bonds at issue, and Respondent shall deliver to Claimant the sum of \$56,394.87, plus interest at the rate of \$12.36 per diem (8%) from 7/14/92 to the date of payment of this award.

2. Claimant's request for relief on all of the remaining bonds at issue is denied. Arbitrator Malloy dissents from the majority on this part of the award: In his opinion, he believes that Claimant should be awarded rescission on all of the bonds at issue in this matter.
3. No exemplary or punitive damages shall be awarded.
4. Each of the parties shall bear its own costs, including attorneys' fees.
5. Claimant's \$3,000 and Respondent's \$3,000 in arbitration deposits for the eight days of hearing shall be retained by the MSRB as forum fees, pursuant to section 2 of MSRB rule A-16.



William H. Malloy, Jr.
(dissenting, in part)



Neil J. Carey



Edward W. Brownell, III

Dated: 11/13/92

STATE OF Virginia
COUNTY OF Alexandria
City

SS.:

On this 9th day of November, 1992, 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.

Charles A. Ingram

STATE OF Connecticut
COUNTY OF Fairfield

SS.: STAMFORD

On this 11th day of November, 1992, 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.

Ray Pittman

My Commission Expires Mar. 31, 1994

STATE OF Minnesota
COUNTY OF Ramsey

SS.:

On this 13th day of November, 1992, 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.

Edwin G. Galt

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