

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Carol C. Goldberg

and

06-01518
Chicago, Illinois

Name of Respondents

RBC Dain Rauscher Inc.
Robert Gordon Levine

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

Carol C. Goldberg ("**Claimant**") was represented by Robert C. Goldberg, Esq., Schoenberg, Fisher, Newman & Rosenberg, Ltd., Chicago, Illinois.

RBC Dain Rauscher Inc. ("**Respondent RBC**") was represented by Carolyn Guy, Esq., RBC Dain Rauscher, Minneapolis, Minnesota.

Robert Gordon Levine ("**Respondent Levine**") participated *pro se*.

CASE INFORMATION

The Statement of Claim was filed on or about March 23, 2006. Claimant's Response to Respondents' Joint Motion to Dismiss all Claims and for Expungement was filed on or about June 9, 2006. Submission Agreement of Claimant Carol C. Goldberg was signed on March 4, 2006.

Joint Answer of Respondents Robert G. Levine and RBC Dain Rauscher Inc. was filed on or about May 16, 2006. Joint Motion to Dismiss all Claims and for Expungement was filed on or about May 22, 2006. Respondents' Reply to Claimant's Opposition to Motion to Dismiss all Claims and for Expungement was filed on or about June 21, 2006. Submission Agreement of Respondent RBC Dain Rauscher Inc. was signed on April 4, 2006.

Submission Agreement of Respondent Robert Gordon Levine was signed on May 15, 2006.

CASE SUMMARY

Claimant alleged that:

On September 9, 1997, Mr. Levine, purchased a Wisconsin Health and Educational Facilities Revenue Bond, Series 1997, in the amount of Fifteen Thousand (\$15,000.00) Dollars. Mr. Levine did not contact Ms. Goldberg regarding the purchase of the Wisconsin Health and Educational Facilities Authority Revenue Bond on her behalf. Mr. Levine did not disclose to MS. [sic] Goldberg that the Bond was not insured. Mr. Levine did not disclose that the Wisconsin Health Bond involved a "significant decree [sic] of risk." Mr. Levine did not disclose that the Bond was not rated. Mr. Levine did not provide Ms. Goldberg with a Prospectus or Disclosure Document regarding the Wisconsin Health and Educational Facilities Bond. Mr. Levine did not disclose that the Bond was a "revenue" bond subject to monies collected by the Authority. Mr. Levine did not disclose that the Bond was, "a limited obligation of the Wisconsin Health and Educational Authority." Mr. Levine did not disclose that the Wisconsin Bond was, "not a debt or liability of the State of Wisconsin or any political subdivision or agency thereof." Mr. Levine did not disclose that the Authority had no taxing power to obtain funds to pay Bondholders. Mr. Levine did not disclose that the offering was small in comparison to most offerings and thus had a higher level of risk. Mr. Levine did not disclose that Dain Bosworth, headquartered in the State of Wisconsin, was assisting the underwriter in placing a portion of the Wisconsin Health and Educational Facilities Authority Revenue Bonds. Mr. Levine did not disclose any possible conflict of interest or appearance of impropriety. Rather, Mr. Levine purchased the Bond with Ms. Goldberg's funds, placed it in her account, took his commission, and ignored her specific instructions regarding suitable investments.

In October of 2005, Ms. Goldberg received her first notice that the Bond was in default (Exhibit A)[omitted] Upon receipt of this Notice, Ms. Goldberg, on October 24, 2005, through her counsel, communicated with Mr. Levine her Demand for Restitution (Exhibit B)[omitted].

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated:

In sum, it remains undisputed that the Bond purchase giving rise to Ms. Goldberg's claims transpired on September 9, 1997. As a result, Ms. Goldberg's causes of action are time barred by the three-year statute of limitations in the Illinois Securities Law of 1953 (815 ILCS 5/13 (D)). Furthermore, Ms. Goldberg's actions are ineligible for NASD arbitration submission under NASD Rule 10304(a) and NASD Rule 10304(c) because all events or inactions about which Ms. Goldberg now complains

took place significantly more than six years ago. Ms. Goldberg severed the RBC Dain/Levine relationship in 1998 – seven years ago.

RELIEF REQUESTED

Claimant requested an award in the amount of \$8,214.17 representing lost principal and lost interest. Claimant also requested recovery of her attorneys' fees and costs.

Respondents requested that the arbitrators enter an award:

1. Dismissing, with prejudice, all of Claimant's claims.
2. Consistent with NASD Rule 2130, the Panel should make an affirmative finding of fact that the claim, allegation, or information is factually impossible or clearly erroneous (because the claims are not eligible for arbitration); and that Levine was not involved in the alleged sales practice violation (because he was not her broker of record at the time the Notices of material Change occurred) and that the Panel recommend expungement of all references to this matter from Levine's CRD.
3. That all filing fees and hearing costs be assessed against Claimant.
4. Award Respondent [sic] their attorneys' fees and costs, and such further relief as the arbitrators deem just and equitable.

AWARD

After considering the pleadings and the arguments presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. The claims asserted in this matter are dismissed without prejudice to refiling in a court of competent jurisdiction, pursuant to Rule 10304 of the NASD Code of Arbitration Procedure.
2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$75.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm(s) is RBC Dain Rauscher Inc.

Member surcharge	\$	325.00
Total Member Fees	\$	325.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing session(s) with a single arbitrator	x	\$250.00	\$	250.00
July 25, 2006	1	session		
Total Forum Fees			\$	250.00

The Arbitration Panel has assessed \$125.00 of the forum fees to Carol C. Goldberg.

The Arbitration Panel has assessed \$125.00 of the forum fees jointly and severally to RBC Dain Rauscher Inc. and Robert Gordon Levine.

Fee Summary

Claimant, Carol C. Goldberg, is liable for:

Initial Filing Fee	= \$	75.00
<u>Forum Fees</u>	= \$	125.00
Total Fees	= \$	200.00
<u>Less payments</u>	= \$	-325.00
Balance to be refunded by NASD Dispute Resolution	= \$	- 125.00

Respondent, RBC Dain Rauscher Inc., is liable for:

Member Fees	= \$	325.00
Total Fees	= \$	325.00
<u>Less payments</u>	= \$	-325.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondents, RBC Dain Rauscher Inc. and Robert Gordon Levine, are jointly and severally liable for:

<u>Forum Fees</u>	= \$	125.00
Total Fees	= \$	125.00
<u>Less payments</u>	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	125.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Donald Paull, Esq. - Public Arbitrator, Presiding Chair

Concurring Arbitrators:

Donald Paull, Esq.
Public Arbitrator, Presiding Chair

Signature Date

7/28/06
Date of Service (For NASD office use only)

Respondent, RBC Dain Rauscher Inc., is liable for

Member Fees	= \$	325.00
Total Fees	= \$	325.00
Less payments	= \$	-325.00
	= \$	0.00

Respondents, RBC Dain Rauscher Inc. and Robert Gordon Levine, are jointly and severally liable for:

Forum Fees	= \$	125.00
Total Fees	= \$	125.00
Less payments	= \$	-0.00
	= \$	125.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Donald Paull, Esq. - Public Arbitrator, Presiding Chair

Concurring Arbitrators:

Donald Paull, Esq. Signature Date 7/26/06

Public Arbitrator, Presiding Chair



Date of Service (For NASD office use only)