

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between	:
	:
F. Warren Colbert	:
	:
Claimant	:
	:
vs.	:
	:
Prestige Investors, Inc.	:
Joseph Lugo	:
Jerry Rosen	:
Joseph D. Ratcliff	:
Respondents	:

AWARD

#87-01631

Case Summary

The Claimant F. Warren Colbert claims against the Respondents Prestige Investors, Inc. Joseph Lugo, Jerry Rosen and Joseph D. Ratcliff arise from the offer and sale of several over-the-counter securities. Mr. Colbert alleged that Joseph Lugo, as a registered representative of Prestige Investors, Inc., purchased securities which were unsuitable for his account. Moreover, Mr. Colbert alleged that Joseph Lugo failed on several occasions to execute a trade order. The Claimant also named Jerry Rosen, a registered representative of Prestige Investors, Inc. and Joseph D. Ratcliff, president of Prestige Investors, Inc. The Respondents contended that Mr. Colbert was knowledgeable of the transactions. Moreover, the Respondents denied all of the above claims.

Relief Requested

Claimant request an award of approximately \$45,000.00. Respondents request the dismissal of the claim.

Award

On June 21, 1988 and January 31, 1989, said dates representing four (4) hearing sessions, in New York, New York, the undersigned arbitrators heard the controversy between the parties as set forth in submission to arbitration signed by the Claimant on August 28, 1987. The original claim was filed on September 1, 1987. The Respondents Prestige Investors, Inc. and Joseph D. Ratcliff did not submit a Uniform Submission Agreement and a Statement of Answer as required pursuant to the NASD Code of Arbitration. In addition, the Respondents failed to appear at the hearing and made no request for a postponement. The Respondent Joseph Lugo submitted a signed Uniform Submission Agreement, a Statement of Answer dated December 31, 1987 and appeared at the hearings. Respondent Jerry Rosen did not execute a Uniform Submission Agreement, however, submitted a signed Statement of Answer dated October 19, 1988 and appeared at the hearings.

The arbitration panel determined that the arbitration department of the NASD made a reasonable effort to notify Respondents Prestige Investors, Inc. and Joseph D. Ratcliff by serving the Respondents by registered mail at the last known business address of the corporation. Accordingly, the arbitration panel determined pursuant to Section 12 of the Code of Arbitration Procedure of the NASD that they had jurisdiction to arbitrate the case among all parties, including Respondents Prestige Investors, Inc. and Joseph D. Ratcliff.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. The Respondents Prestige Investors, Inc. and Joseph Lugo shall be jointly and severally liable and shall pay to Claimant F. Warren Colbert the sum of Thirty Thousand Dollars and No Cents (\$30,000.00), such amount representing the actual damages incurred.
2. The Respondent Jerry Rosen shall be liable and shall pay to the Claimant F. Warren Colbert the sum of Two Thousand Dollars and No Cents (\$2,000.00), such amount representing the actual damages incurred.