

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Obdulia Rivera

91-00206

Name of Respondent(s)

Carmen Glikberg

REPRESENTATION

For Claimant: David A. Baugh, Esq.

Respondent failed to appear.

CASE INFORMATION

Statement of Claim filed: January 17, 1991

Claimant's Submission Agreement signed on: January 15, 1991

Carmen Glikberg failed to file a Statement of Answer and a Submission Agreement.

HEARING INFORMATION

Hearing Date(s)/Sessions: October 15, 1991

CASE SUMMARY

Claimant Obdulia Rivera ("Claimant") alleged that the common stock and warrants purchased on her behalf by Respondent Carmen Glikberg ("Respondent") were highly speculative investments and were inappropriate given Claimant's annual income and net worth. Claimant further alleged that Respondent failed to disclose to her the substantial risk of loss associated with these investments. Moreover, it was alleged that because the Claimant could not speak or read English, Claimant wholly relied on respondent's advice, and accordingly, Claimant authorized Respondent to make any transactions as Respondent deemed fit. The Claimant also alleged violation of section 10b and 10b-5 of the Securities and Exchange Act of 1934.

Claimant further alleges that on or about May 18, 1989, Respondent opened an account for Claimant, and also prepared Claimant's new client form. Claimant invested a total of \$3,376.00 between May, 1989 and July, 1989 in reliance based solely on Respondent's advice. Common stock shares and warrants were purchased in Western Acceptance Corporation; Bonso Electronics International, Inc.; "Dixcom, Inc."; and Vector Aeromotive Corporation. The transactions took place between May, 1989, and November, 1989. Dixcom, Inc. and Vector Aeromotive Corporation shares remain in Claimant's account. The Dixcom, Inc. stock is worthless, and the Vector Aeromotive stock is worth \$900.00 down from \$1,395.00 at the time of purchase. The losses from all of the transactions is in excess of \$2,476.00.

RELIEF REQUESTED

Claimant Obdulia Rivera requested recovery against the Respondent Carmen Glikberg in an amount representing the decline in value of her account (in excess of \$2,476) as a result of the wrongful conduct by respondent and respondent's inappropriate investments. Claimant further requested that the Arbitrator award against the respondent a reasonable rate of return which would have been earned had the money been placed in a safe, reasonable and prudent investment, as well as attorney's fees and costs in prosecuting this matter.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Carmen Glikberg failed to appear at the hearing or respond to the Claim. Respondent Carmen Glikberg did not file with the NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to Section 12 of the NASD Code of Arbitration Procedure, and shall be bound by the determination of the arbitrator on all issues submitted.

The Claimant has agreed that a handwritten, signed Award may be entered. The Claimant agreed to receive a type conformed copy of the award while the original remain on file with the NASD.

AWARD

The arbitrator panel, having considered the pleadings, the testimony, and the evidence presented at the hearing by Claimant alone, has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Carmen Glikberg is liable for and shall pay to Claimant Obdulia Rivera the sum of \$3,216.00 plus 6% interest from January 17, 1991 to October 15, 1991; and,
2. Respondent Carmen Glikberg is liable for and shall pay to Claimant Obdulia Rivera Attorney's fees and the amount of \$5,100.00. The authority for the award of attorney's fees is contained in a post hearing submission dated October 22, 1991.

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Respondent Carmen Glickberg is liable for and shall pay to Claimant Obdulia Rivera the sum of \$150.00 which constitutes Claimant's costs in bringing this action.

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. retain filing fee in the amount of \$50.00, and the hearing session deposit in the amount of \$100.00 previously deposited with the NASD by the Claimant.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrators' Signature

Name

Alan J. Fisher
Alan J. Fisher, Esq.

Public/Industry

Public

Date of Decision: December 19, 1991