

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

---

In the Matter of the Arbitration Between

**Name of Claimants**

Joseph F. Carlow, M.D. - Trustee for the Joseph  
F. Carlow, M.D., P.C. - Defined Benefit Pension  
Plan and The Joseph F. Carlow, M.D., P.C. Target  
Benefit Plan

**91-04114**

**Name of Respondents**

Ronald W. Laessig  
Laessig Investment Company

---

**REPRESENTATION**

For Claimant Joseph F. Carlow, M.D. - Trustee for the Joseph F. Carlow, M.D. P.C. Defined  
Benefit Pension Plan and the Joseph F. Carlow, M.D., P.C. Target Benefit Plan ("Claimant"):  
Christopher R. Rosser, Attorney at Law.

For Respondent Ronald W. Laessig and Laessig and Laessig Investment Co. ("Respondents"):  
David N. Bressler, Esq.

**CASE INFORMATION**

Statement of Claim filed on: December 26, 1991.

Claimant's Submission Agreement signed on: January 23, 1992.

Statement of Answer filed by Respondent Ronald Laessig ("Laessig") on April 13, 1992.

Respondent Laessig's Submission Agreement signed on: April 7, 1992.

Statement of Answer filed by Laessig Investment Co. on: March 13, 1992.

Respondent Laessig Investment Co.'s Submission Agreement signed on: March 11, 1992.

### **HEARING INFORMATION**

Hearing Date/Sessions: October 29, 1992, two sessions.

Hearing Location: At the offices of the NASD, Philadelphia, PA.

### **CASE SUMMARY**

Claimant alleged that Respondents breached their fiduciary duties owed to Claimant. Claimant alleged that Respondents made material misrepresentations to induce Claimant to invest in unsuitable investments. Claimant alleged that Respondents misrepresented their experience, training and expertise as financial advisors. Claimant alleged that Respondents misrepresented the safety and liquidity of Southmark Equity Partners, II, Ltd. and Southmark Equity Partners, III, Ltd. ("Southmark Limited Partnerships"). Claimant alleged that Respondents misrepresented the value of the Southmark Limited Partnerships. Claimant alleged that the investment of \$146,000 in Southmark Limited Partnerships was unsuitable for Claimant's retirement plans. Claimant alleged that Respondent Ronald W. Laessig was not properly supervised. Claimant alleged that Respondents failed to handle Claimant's account with due care and in a proper manner.

Respondents maintained that Claimant was a sophisticated investor who understood the risks in investing in the Southmark Limited Partnerships. Respondents maintained that Claimant desired investments with a higher risk because he was seeking a higher return. Respondents maintained that Claimant's investment portfolio was properly diversified. Respondents maintained that at the time Claimant invested in Southmark Limited Partnership it was an attractive investment for Claimant. Respondents maintained that they could not foresee the future of the real estate market and should not be held as guarantors of Claimant's investment decision. Respondents maintained that it was Claimant's investment decision to sell his holdings in Southmark Limited Partnership and sustain the losses. Respondents maintained that Claimant knew that the Southmark Limited Partnerships were long term investments. Respondents maintained that Claimant's account was properly handled and that no misrepresentations were made.

### **RELIEF REQUESTED**

Claimant requested damages in the amount of \$128,650.

Respondents requested that Claimant's claim be dismissed in its entirety.

**OTHER ISSUES CONSIDERED & DECIDED**

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

**AWARD**

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. That Claimant's claim is denied in its entirety.
2. That the parties shall bear their respective costs including attorneys fees.

**FORUM FEES**

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fee(s) are assessed:

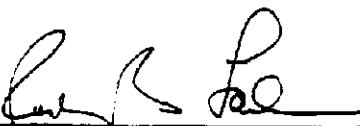
That two hearing sessions were conducted in this matter for a hearing session fee of \$750 per session. That the Claimant and Respondents are equally assessed forum fees so that the amount due from the Claimant is \$750. Claimant is entitled to offset this amount with his hearing session deposit so that no monies are due from the Claimant. Respondents are jointly and severally assessed forum fees in the amount of \$750.

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

Concurring Arbitrator's Signature

Name

Public/Industry

  
Richard B. Laden

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

NASD Date of Decision: December 24, 1992

**OTHER ISSUES CONSIDERED & DECIDED**

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

**AWARD**

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. That Claimant's claim is denied in its entirety.
2. That the parties shall bear their respective costs including attorneys fees.

**FORUM FEES**

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fee(s) are assessed:

That two hearing sessions were conducted in this matter for a hearing session fee of \$750 per session. That the Claimant and Respondents are equally assessed forum fees so that the amount due from the Claimant is \$750. Claimant is entitled to offset this amount with his hearing session deposit so that no monies are due from the Claimant. Respondents are jointly and severally assessed forum fees in the amount of \$750.

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

Concurring Arbitrator's Signature

Name

Public/Industry

  
Joseph H. Ball

Public Arbitrator

NASD Date of Decision: December 24, 1992

**OTHER ISSUES CONSIDERED & DECIDED**

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

**AWARD**

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. That Claimant's claim is denied in its entirety.
2. That the parties shall bear their respective costs including attorneys fees.

**FORUM FEES**

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fee(s) are assessed:

That two hearing sessions were conducted in this matter for a hearing session fee of \$750 per session. That the Claimant and Respondents are equally assessed forum fees so that the amount due from the Claimant is \$750. Claimant is entitled to offset this amount with his hearing session deposit so that no monies are due from the Claimant. Respondents are jointly and severally assessed forum fees in the amount of \$750.

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

Concurring Arbitrator's Signature

Name

Public/Industry

  
Lawrence J. Nowlan, Chairman

\_\_\_\_\_  
Industry Arbitrator

NASD Date of Decision: December 24, 1992