

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :
: Emil Gurwitz Trust, Emil Gurwitz, as TTEE :
: Claimant :
: CASE #92-00188
vs. : AWARD
: Prudential Securities, Inc. :
: Larry Starr :
: Respondents :

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 20, 1992, Claimant, Emil Gurwitz who appeared Pro Se, alleged that on February 2, 1989 Respondent, Larry Starr, an account executive with Respondent, Prudential Securities, Inc. misled him into purchasing \$10,000.00 worth of Prudential-Bache Energy Income Fund VIP-24 at \$250.00 a unit for a total of 40 units by misrepresenting the type of security being purchased. Claimant further alleged that Respondents, Prudential Securities, Inc. and Larry Starr failed to provide any written documentation or a prospectus on the investment and not until June 30, 1989 did Claimant receive a financial report, at which time, he discovered he had purchased a limited partnership. Claimant contended that this investment was unsuitable given his investment objectives and he informed Respondent, Larry Starr that he wanted out of the investment, at which time, Respondent Larry Starr advised him the investment would pay good interest. Claimant further contended that Respondent, Larry Starr informed him it would be sold at a discount, at which time, Claimant informed Respondent he was willing to take a 20% discount on the sale of the security. Claimant asserted that Respondent, Larry Starr later advised him that the Pru-Bache Energy Income Fund could not be sold and he would have to wait 8 years to be paid out. Claimant further asserted that an illiquid investment was unsuitable for his investment needs, therefore, Respondents, Prudential Securities, Inc. and Larry Starr should be held liable for losses incurred due to their inappropriate handling of his account.

Respondents, Prudential Securities, Inc. and Larry Starr by and through their in-house counsel Laurie A. Giolito, Esq., maintained that on or about February 1989 Respondent, Larry Starr

and Claimant Emil Gurwitz discussed the possibility of investing in PB Energy Income Fund P-24 to achieve Claimant's objectives of income and tax advantages, at which time, Respondent, Larry Starr fully disclosed to Claimant the various features of such an investment including the risks, benefits and illiquid nature of this investment. Respondents further maintained that Claimant was provided with a prospectus and all other written information to enable him to make an informed decision. Respondents contended that Claimant decided to purchase 40 units of PB Energy Income Fund P-24 at \$250.00 a unit for a total investment of \$10,000.00. Respondents contended that they only invested Claimant's funds in a suitable manner within the framework of his investment objectives in order to obtain the tax benefits it offered as well as the potential for profit. Respondents asserted that Respondent, Larry Starr gave Claimant investment advice; Claimant made the final investment decision and Respondents cannot be held liable for a change in market condition.

RELIEF REQUESTED

Claimant, Emil Gurwitz requested \$10,000.00 in actual damages plus interest at 10% per annum.

Respondents, Prudential Securities, Inc. and Larry Starr requested the claim be dismissed in its entirety.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Burt R. Rose, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on January 13, 1992 and not by the Respondents as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of Claimant, Emil Gurwitz against Respondents, Prudential Securities, Inc. and Larry Starr are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities

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Dealers, Inc. by the Claimant, Emil Gurwitz
shall be retained by the NASD, Inc.

AFFIRMATION

I, BURT R. ROSE, do hereby affirm upon my oath as arbitrator
that I am the individual described herein and who executed this
instrument, which is my oath and award.



Signature of Arbitrator

DATE OF DECISION: June 26, 1992