

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Florence N. Silverstein

93-02539

Name of Respondents

Prudential Securities, Inc.  
Carl C. Roba

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on June 28, 1993, Claimant Florence N. Silverstein, by and through her representative Paul N. Young, alleged that she maintained accounts with Respondent firm Prudential Securities, Inc., and that Respondent Carl C. Roba was her Financial Advisor. Claimant further alleged that she maintained these accounts with the intent to save money with absolute safety of principal and liquidity to fund the education of her daughters. Claimant further alleged that Respondent Carl C. Roba was fully aware of her investment goals and requirements of safety and liquidity, and that there be no risk to the investment. Claimant further alleged that Respondent Carl C. Roba put all of Claimant's funds into long term limited partnerships without disclosing to her that these investments have risks, high commissions, no liquidity and no safety of principal. Claimant further alleged that the Respondents never sent her a prospectus and that Respondents' actions amounted to unsuitable transactions, negligence, misrepresentation, breach of contract, and failure to supervise on the part of Respondent Prudential Securities, Inc. Claimant contended that the value of her shares in the limited partnerships subsequently went down, causing her to suffer damages for which the Respondents should be held liable.

Respondent Prudential Securities, Inc., by and through its in-house counsel, Joel Levinson, Esq., maintained that it was not liable to Claimant, because the claim was time barred due to a statute of limitations, that the limited partnership was, in fact, a suitable investment for Claimant, that Respondent Prudential Securities, Inc. acted in good faith in all transactions, and that the claim is barred by the doctrine of equitable estoppel and waiver. Respondent Prudential Securities, Inc. contended they committed no wrongdoing and that, therefore, they should not be held liable in this case.

Respondent Carl C. Roba failed to file an Answer to the Statement of Claim.

**RELIEF REQUESTED**

Claimant Florence N. Silverstein requested an award for actual damages in the amount of \$10,000.00

Respondent Prudential Securities, Inc. requested that the claim be dismissed in its entirety.

Respondent Carl C. Roba failed to file an Answer to the Statement of Claim.

**OTHER ISSUES CONSIDERED & DECIDED**

In accordance with Section 13 of the NASD Code of Arbitration Procedure, Respondent Carl C. Roba was served a copy of the Statement of Claim by certified mail and given an opportunity to respond, which he failed to do.

**AWARD**

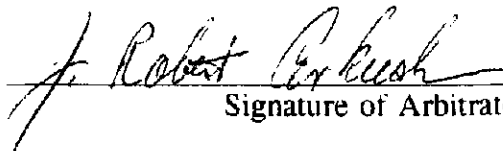
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, J. Robert Arkush, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on June 8, 1993, by Respondent Prudential Securities, Inc. on November 2, 1993, but not signed by Respondent Carl C. Roba 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. Respondents Prudential Securities, Inc. and Carl C. Roba are jointly and severally liable and shall pay to the Claimant Florence N. Silverstein \$10,000.00 in actual damages.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

**AFFIRMATION**

I, **J. ROBERT ARKUSH**, 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: April 27, 1994