

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

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

In the matter of the Arbitration Between

**Name of Claimant**

Carlynn H. Williams

NASD Arbitration  
No. 94-00780

**Name of Respondents**

Linsco/Private Ledger Corp.  
Eric A. Rudney  
Rudney Associates

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**REPRESENTATION**

For Claimants: Morton Levy - Investors Advocates - Emeryville, California

For Respondents: David J. Freniere, Esq. - LPL Financial Services - Boston, Massachusetts

**CASE INFORMATION**

Statement of Claim filed: March 2, 1994

Claimants' Submission Agreement signed: February 24, 1994

Joint Statement of Answer filed by Respondents: May 6, 1994

Linsco/Private Ledger Corps. - Submission Agreement signed: May 5, 1994

Submission Agreement of Eric Rudney signed: April 14, 1994

Submission Agreement of Rudney Associates signed : April 14, 1994

**HEARING INFORMATION**

Hearing Dates / Sessions: January 18, 1995 - Two Sessions  
January 19, 1995 - Two Sessions  
January 20, 1995 - Two Sessions

March 2, 1995 - One Session (Telephonic)  
May 15, 1995 - Two Sessions

Hearing Dates/Sessions: May 16, 1995 - Two Sessions  
May 17, 1995 - Three Sessions  
May 25, 1995 - Deliberation

Hearing Location: San Francisco, California

### **CASE SUMMARY**

Claimant, Carlynn H. Williams (Williams), alleged that Respondents, Eric A. Rudney and Rudney Associates, representatives of Respondent Linsco/Private Ledger Corp, sold to Williams two interests totally \$75,000.00 in real estate investment trusts. Claimant alleged that said sale was unsuitable and inappropriate in light of Williams' financial needs and objectives.

Respondents alleged that Williams was keenly aware of the risks associated with the investments and had specifically discussed various risks including liquidity, fluctuations in the real estate market and the possible loss of principal.

### **RELIEF REQUESTED**

Claimant seeks to recover the \$40,000.00 principal payment for the purchase of Commonwealth Equity Trust plus interest based on a market rate of return from the date of the investment, less cash distributions received and \$35,000.00 in consideration of the principal investment in Sierra Capital Realty Trust, Inc. VII, less any market value of Meridian Point Realty Trust VII as of the date of the arbitration award, interest, less cash distributions received, punitive damages, fees and costs.

Respondents seek dismissal of the claim in its entirety costs and reasonable attorneys' fees.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondents' Motion to Dismiss all claims relating to Commonwealth Equity Trust was denied.

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 original remains on file with the NASD.

### AWARD

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

1. Each and every claim of Claimant, Carlynn Williams, against Respondent, Linsco/Private Ledger Corporation, is dismissed.
2. Each and every claim of Claimant, Carlynn Williams, against Respondent, Eric Rudney, is dismissed.
3. Each and every claim of Claimant, Carlynn Williams, against Respondent, Rudney Associates, is dismissed.
4. The parties shall each bear their respective costs and fees.

### FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the NASD shall retain the \$150.00 non-refundable filing fee paid by Claimant.

#### Total Fees:

One telephone hearing session @ \$300.00	\$ 300.00
Thirteen hearing sessions @500.00 per session	<u>6,500.00</u>
	\$ 6,800.00
 Claimant's one-half share	 \$3,400.00
Credit for Deposit	<u>500.00</u>
	\$2,900.00
 Respondent, Linsco/Private Ledger Corp. one-half share	  \$3,400.00

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

### ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
John O. Blevins, Jr.	Public
Helen B. Culinier, Esq.	Public
Thomas W. Borden	Industry

Concurring Arbitrators' Signatures

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John O. Blevins, Jr.

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Helen B. Culiner, Esq.

Thomas W. Borden  
Thomas W. Borden

Date of Decision: \_\_\_\_\_

Date Served: 06/09/95