

**Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between:

Arthur and Roberta Goldstein, (Claimants) vs. Ryan Beck & Co. and David Stancavish,  
(Respondents)

Case Number: 99-04786

Hearing Site: New York, New York

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**REPRESENTATION OF PARTIES**

Claimants, Arthur Goldstein ("Mr. Goldstein") and Roberta Goldstein ("Mrs. Goldstein"), hereinafter collectively referred to as "Claimants", appeared *pro se*.

Respondents, Ryan Beck & Co. ("Ryan") and David Stancavish ("Stancavish"), hereinafter collectively referred to as "Respondents": David B. Denson, Esq., First Vice President, Ryan Beck & Co., Livingston, NJ.

**CASE INFORMATION**

Statement of Claim filed on or about: October 19, 1999.

Claimants signed the Uniform Submission Agreement: October 14, 1999.

Joint Statement of Answer filed by Respondents on or about: January 20, 2000.

Ryan signed the Uniform Submission Agreement: January 20, 2000.

Stancavish signed the Uniform Submission Agreement: January 20, 2000.

**CASE SUMMARY**

Claimants asserted the following causes of action: inappropriate purchases of speculative bonds; misuse of trust; and incorrect information placed on Claimants' client profile after the purchase of the bonds in question.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimants selected "moderate risk exposure" on their new account form; Claimants were active investors for at least 10 years and made investments in high yield securities other than the securities referenced in the Statement of Claim; Claimants were quite successful with respect to the purchase of high yield securities; no investment was made in the account without the direction of Mr. Goldstein; Mr. Goldstein's decision to invest in the securities in question was made voluntarily by him; at the time of purchase, each of the securities referred to in the Statement of Claim were not unsuitable based upon the respective investment objectives and income

needs known to Respondents; Claimants were apprised of and were aware of the risks in investing in the securities purchased; Claimants were apprised of, were aware of, and/or had available to them all relevant information about the finances and businesses of the issuing companies; Claimants continued to purchase the type of securities at issue even after having been advised that the market in such securities is volatile and that the securities may and do trade at prices lower than the original purchase price; and Claimants were knowledgeable and sophisticated investors capable of understanding the risks associated with the investments at issue which they voluntarily decided to make.

### **RELIEF REQUESTED**

Claimants requested total damages in the amount of \$39,653.20, representing \$19,826.60 in actual damages and \$19,826.60 in punitive damages.

Respondents requested that the Statement of Claim be dismissed.

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

During the hearing in this matter, Respondents made Motions to Dismiss the causes of action for punitive and compensatory damages. As indicated in the "Award" section below, the Arbitrator granted these Motions.

### **AWARD**

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

1. Claimants' claims are hereby dismissed in their entirety.
2. All other requests for relief are hereby denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 175.00
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### Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, Ryan Beck & Co. is a party.

Member surcharge	= \$ 800.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,000.00

### Forum Fees and Assessments

The Arbitrator assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$ 450.00  
Pre-hearing conference: May 3, 2000 1 session

Two (2) Hearing sessions x \$450.00 = \$ 900.00

Hearing Date: September 13, 2000 2 sessions

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Total Forum Fees = \$1,350.00

1. The Arbitrator has assessed \$675.00 of the forum fees jointly and severally against Claimants.
2. The Arbitrator has assessed \$675.00 of the forum fees jointly and severally against Respondents.

### Fee Summary

1. Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 175.00
Forum Fees	= \$ 675.00
Total Fees	= \$ 850.00
Less payments	= \$ 625.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 225.00

2. Ryan be and hereby is solely liable for:

Member Fees	= \$2,400.00
Total Fees	= \$2,400.00
Less payments	= \$1,400.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,000.00

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3. Respondents be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 675.00
<u>Total Fees</u>	= \$ 675.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution, Inc.</u>	= \$ 675.00

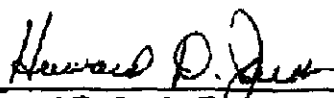
All balances are due and payable to NASD Dispute Resolution, Inc.

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**Arbitrator's Signature**

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

  
Howard D. Jacob, Esq.  
Public Arbitrator

10/2/00  
Signature Date

October 5, 2000  
Date of Service (For NASD office use only)