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## \$695,673 for Fund Mismanagement

**Chicarilla v. Erenstein:** A financial adviser will pay nearly \$700,000 in damages and attorneys' fees for mismanaging the investment portfolio of a client and her now-deceased husband.

The National Association of Securities Dealers entered a \$695,673 judgment on Nov. 29 in favor of complainant Jennie Chicarilla, 87, of Middlesex County, against adviser Morton Edelstein of

Boca Raton, Fla., says Chicarilla's attorney, **Richard Gantner** of Hillsborough's **Nee, Beacham & Gantner**.

The award includes \$210,000 in punitive damages and \$17,289 in attorneys' fees, Gantner says.

According to Gantner, Jack and Jennie Chicarilla's portfolio was worth about \$1.1 million when they met Edelstein at a social function in 1997. He persuaded them to let him handle

their portfolio and, over a period of time, squandered almost all of it through a series of poor investments, Gantner says.

Gantner says he asked NASD arbitrators to award \$827,500 in damages, but the arbitrators ruled that claims for some of those losses were time-barred by a six-year statute of limitations.

Steven Faulk & Associates, a Kinnelon stock broker who handled many of the transactions for Edelstein, paid Chicarilla \$141,600 separately on Nov. 4.

Neither Edelstein nor his lawyer, Boca Raton solo **John Phelan**, would comment on the judgment.

Faulk & Associate's lawyer, **Steven Kalebic**, of **Kalebic, McDonnell & Miller** in Hackensack, did not return a call.

— *By Michael Booth*