

The “New Times Securities Case” For Dummies

removing for now, the interaction/hierarchy issues between/over, SIPC, SEC, SIPA (in every configuration) and, simplifying to the most “basic facts”, i “think” this is about right...

- goren’s fraud is uncovered...
- SIPA orders the liquidation of new times securities
- SIPC receives 900 claims
- 726 “customers” had received confirmations and statements showing “real” securities that were never purchased
- 174 “customers” had received confirmations and statements showing “fictitious” securities that were never purchased
- 726 customers have a “securities” claim for up to \$500,000. their last statement balance INCLUSIVE of any accumulated interest was their “net equity”. their journey is over.
- the remaining 174 customers have a “cash claim” of up to \$100,000. their original investment less any distributions was their “net equity”
- the reason for the difference is that those with “fictitious” securities could not associate a price with any owned shares, they could not check or determine the value using everyday indexes. those with the “real” (but still NOT purchased) securities could check pricing and verify their statements over time.
- the 174 “cash claim” customers appeal.
- the appeal determines the 174 DO have claims for “securities”, not “cash” for the higher \$500,000 limit AND, their net equity SHOULD be computed as of their last statement INCLUDING accumulated interest.
- the appeal is appealed.
- the decision now is split. it’s now decided that the 174 DO have claims for “securities” NOT “cash” up to the higher \$500,000 limit but the net equity was to be computed by using their initial investment minus any withdrawals with NO accumulated interest. the main reason for this is that there’s no way to determine a present value because it can’t be “looked up”. (note of confusion - of these 174, ONLY 14 seem to be left and included in the net equity issue. maybe the other 160 had accounts under \$100,000 and it didn’t matter??)

given the fact that ALL of us have the “REAL” (but never purchased) securities, what/where’s the complicated part? i did not see anything to indicate any adjustment in the award calculations for the original 726 customers. i think it’s fair to assume their net equity figure included the accumulated interest shown on their statement and their claims were paid(now confirmed). this seems way too simple. i guess i need to re-insert the interaction/hierarchy issues between/over, SIPC, SEC, SIPA (in every configuration) to figure out how/why and by whom we’re getting screwed!!