

NASD DISPUTE RESOLUTION AWARD
NASD DISPLTE RESOLUTION, INC.

CASE: 00-02071

Kenneth J. Rampino and Susan M. Rampino, claimants vs. American Securities and Research Corp., Henry Diamond and Securities America, Inc., respondents.

ATTORNEYS:

For Claimant appeared Stephen R. White, Esq., Warwick, RI.

Respondent American Securities and Research Corp. did not respond to the Statement of Claim.

Respondent Henry Diamond appeared Pro Se, Providence, RI.

Respondent Securities America, Inc. appeared through Christopher G. Lazarini, Esq. of the firm TaTate, Lazarini & Beall, Memphis, TN.

DATE FILED: May 18, 2000

CASE SUMMARY: Claimants alleged that respondents were negligent in the promotion of and subsequent investment in the "Whitehall Trust" fund. Claimants further alleged that the investments were unsuitable to claimants' portfolio and as a result financial losses were incurred.

ARBITRATOR'S REPORT: Both the claimants and respondents have provided limited arguments concerning their cases. However, it is clear that the main thrust of the Rampino case is that a fraud was committed in the promotion of and subsequent investment in the "Whitehall Trust".

Prior to making investments in limited partnerships and hedge funds, the fund is required to provide potential investors with a detailed prospectus. Rampino claims that no such documentation was ever provided. In his answer, Mr. Diamond, never addresses this specific item. The arbitrator has drawn the conclusion that he does not disagree with Rampino's statement concerning the prospectus. Diamond does not state that he did provide a prospectus nor does he supply a delivery receipt.

The extent of the court documents makes clear that the Whitehall Trust was indeed a crooked operation and the principal has been sent to the penitentiary. Further, it appears that Mr. Diamond's entire answer is a copy of the *summary* submitted by Mr. Lazarini in his argument that Securities America, Inc. should not be a party to the case. Mr. Diamond fails to address the specifics of the case in any way.

Claim Data

Claim: \$25,000.00
Attorney Fees: unspecified
Filing Fees: unspecified
Interest: unspecified

.Award Data

.Award: \$12,500.00
.Attorney Fees: \$.00
Filing Fees: \$425.00
Interest: \$.00

AWARD: The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) Respondents, American Securities & Research Corp and Henry Diamond are jointly and severally liable and shall pay to the claimant \$12,500.00. 2) All claims against Respondent, Securities America, Inc. have been dismissed in their entirety. 3) All requests for attorney fees are denied. 4) All requests for interest are denied. 5) All other relief requests are denied. 6) The \$425.00 filing fee previously deposited with NASD Dispute Resolution, Inc. by the claimant, shall be retained by NASD Dispute Resolution, Inc. 7) Respondents American Securities & Research Corp and Henry Diamond are jointly and severally liable and shall pay claimant \$425.00 as reimbursement of the filing fee.

OTHER FEES: Pursuant to Rule 10333 of the Code, respondent Securities America, Inc. has not paid to NASD Dispute Resolution, Inc. the \$400.00 Member Surcharge previously invoiced..

OTHER ISSUES: 1) Pursuant to the By-Laws of NASD Dispute Resolution, the arbitrator determined that respondent American Securities & Research Corp. was served notice of the Statement of Claim, Overdue Notice and Notification of Arbitrator by regular mail and is therefore bound by the arbitrator's ruling and determination. 2) Prior to the decision on the merits, claimants settled with respondent Securities America, Inc.

Brian T. Long

- Sole Public Arbitrator

AFFIRMATION

I, Brian T. Long, do hereby affirm, upon my oath as arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.



Brian T. Long



Date of award

July 6, 2001

Date of service (for NASD office use only)