

**NASD DISPUTE RESOLUTION AWARD**  
**NASD DISPUTE RESOLUTION**

CASE: 02-06080

Laurence Pilgeram, claimant/counterclaim respondent vs. Rick Giffin, respondent/counterclaim claimant.

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**ATTORNEYS:**

Claimant/counterclaim respondent appeared pro se, Goleta, CA.

Respondent/counterclaim claimant appeared pro se, Little Rock, AR.

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DATE FILED: October 11, 2002

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**CASE SUMMARY:** Claimant/counterclaim respondent alleged that respondent/counterclaim claimant failed to disclose information regarding the purchase of bonds. Claimant/counterclaim respondent maintained that because of respondent/counterclaim claimant's actions, he suffered a loss.

**COUNTERCLAIM SUMMARY:** Respondent/counterclaim claimant alleged that claimant/counterclaim respondent damaged his reputation and wasted his valuable time.

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**ARBITRATOR'S REPORT:** Code of Arbitration Procedure Sec. 10304 states that "No dispute, claim or controversy shall be eligible for submission to arbitration under this Code where (6) six years have elapsed from the occurrence of the event giving rise to the act or dispute, claim or controversy". This case involves a transaction which took place in June 1996. The claim is dated October 1, 2002. Claimant's position is that a statute of limitations does not begin to run in a fraud claim until the fraud is discovered. A more correct position is that it does not begin to run until the fraud reasonably should have been discovered. In any event, the Code provision in question is more accurately a contractual statute of repose rather than a statute of limitations. But, even assuming a discovery rule applies, and without deciding whether a fraud occurred, Claimant was put on notice that the bonds in question were in default by the notation on the transactions confirmation slip "Bond in Default". The confirmation slip was issued contemporaneously with the transaction, in June 1996. That notation should reasonably have put Claimant on notice of a responsibility to inquire further into the status of the bond. Thus any claim should have been brought no later than early July, 2002, at the latest.

Respondent has not demonstrated adequate evidence of any damage to warrant an award on his counterclaim, which is likewise dismissed.

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**Claim Data**

Claim: \$17,143.75  
Punitive: \$7,500.00  
Interest: \$10,710.14  
Filing Fees: \$425.00  
Other: \$350.00

**Award Data**

Award: \$.00  
Punitive: \$.00  
Interest: \$.00  
Filing Fees: \$.00  
Other: \$.00

**Counterclaim Data**

Claim: \$10,000.00  
Filing Fees: Unspecified

**Award Data**

Award: \$.00  
Filing Fees: \$.00

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**AWARD:** The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) The claims of claimant/counterclaim respondent. 2) All requests for interest are denied. 3) All requests for punitive damages are denied. 4) All other relief requests are denied. 5) The \$425.00 filing fee previously deposited with NASD Dispute Resolution by the claimant, shall be retained by NASD Dispute Resolution. 6) Respondent/counterclaim claimant's request for expungement from his Central Registration Depository Record ("CRD") is denied.

**COUNTERCLAIM AWARD:** The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) The claims of the respondent/counterclaim claimant are dismissed in their entirety. 2) All other relief requests are denied. 3) The \$325.00 filing fee previously deposited with NASD Dispute Resolution by respondent/counterclaim claimant shall be retained by NASD Dispute Resolution.

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**OTHER FEES:** Pursuant to Rule 10333 of the Code, American Municipal Securities, Inc. has not paid to NASD Dispute Resolution the \$425.00 Member Surcharge previously invoiced.

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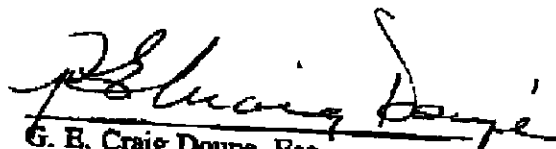
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G. E. Craig Doupe, Esq.

Sole Public Arbitrator

**AFFIRMATION**

I, G. E. Craig Doupe, Esq., 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.

  
G. E. Craig Doupe, Esq.

May 2, 2003  
Signature Date

May 5, 2003  
Date of Service (For NASD-DR office use only)