

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)
JOSEPH M. WALKER,)
Claimant,)
vs.) Case #89-01055
Award
RALPH LOFFREDO and)
INVESTORS CENTER, INC.,)
Respondents.)

Heard before the member of the Arbitration Panel:

James R. Kennedy Jr., Esq.

CASE SUMMARY

This claim was filed with the NASD, Inc. on April 7, 1989. The hearing was conducted in Tampa, Florida on February 16, 1990 with a total of 1 session.

Claimant Joseph M. Walker ("Walker") alleged that Respondents Ralph Loffredo ("Loffredo") and Investors Center, Inc. ("ICI") were liable for: violating Florida Statute Section 517.07; misrepresenting the return on his investment; and fraud. Specifically, Claimant alleged that the stocks ICI sold him were not registered for sale to Florida residents.

Respondent Loffredo alleged that: he was told by ICI Branch Managers and Executives that the stocks were licensed to be sold in Florida and New York; the transactions were executed from New York; Loffredo solicited Claimant's business only after purchasing a lead in which Claimant had requested information regarding Hygolet Metro Stock; Loffredo never promised or guaranteed Claimant anything other than service; Claimant informed Loffredo that he was an aggressive investor; and the decline in value of the stocks was beyond Loffredo's control.

Respondent Loffredo also asserted a counterclaim for costs incurred in defending this action. Respondent ICI filed for bankruptcy and, therefore, was removed as a Respondent in this case.

RELIEF REQUESTED

Claimant requested rescission and damages in the amount of \$2,122.25 inclusive of interest. Respondent Loffredo requested dismissal of the claim and asserted a counterclaim for unspecified costs.

AWARD

On February 16, 1990, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on April 7, 1989, and by Respondent Loffredo on May 11, 1989. The arbitrator having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Loffredo is hereby liable for the sale of an unregistered security and shall pay to Claimant the amount of Eight Hundred Ninety Two and 80/100 (\$892.80) Dollars inclusive of interest at the legal rate of 12% per annum.
2. Respondent Loffredo is not liable for fraud or misrepresentation and, therefore, the claims for such are hereby dismissed.
3. Claimant/Counter Respondent Loffredo is not liable and therefore, the counterclaim against him is hereby dismissed.
4. Pursuant to Section 43 of the Code of Arbitration Procedure, the arbitrator has assessed Claimant forum fees in the amount of Twenty Five and 00/100 (\$25.00) Dollars. The National Association of Securities Dealers, Inc. shall retain the Twenty Five and 00/100 (\$25.00) Dollar filing fee previously deposited by the Claimant with the NASD, Inc. in full satisfaction of such forum fees.
5. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

OTHER ISSUES

None.

ARBITRATOR CONCURRING



James R. Kennedy Jr., Esq.

Dated: February 28, 1990