

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	:	
Regina and Peter Longo	:	
	:	
Claimant	:	Case #89-01937
vs.	:	AWARD
	:	
Anthony Ferrone and Thomson McKinnon Securities, Inc.	:	
	:	
Respondents	:	

CASE SUMMARY

Claimants Regina and Peter Longo alleged that Respondent Anthony Ferrone made misrepresentations and unsuitable investment recommendations to them. Specifically, the Claimants alleged that the recommendation of Southmark Realty Partners II, a real-estate limited partnership, was unsuitable for their investment objectives. Claimants contended that because Anthony Ferrone made certain misrepresentations as to the liquidity of this investment, and because the Claimants were not given a prospectus before the purchase of this investment, they were not properly apprised of the inherent risks of this investments. Furthermore, Claimants alleged that Thomson McKinnon Securities, Inc. failed to properly supervise Anthony Ferrone, and failed to properly respond to their complaints.

Respondents Thomson McKinnon and Anthony Ferrone denied all the allegations made against them. They denied that Anthony Ferrone made any "guarantees" as to the investment's liquidity, or monthly income. Furthermore, Respondents contended that Anthony Ferrone delivered a prospectus for the limited partnership before the Claimants purchased their interest in the investment. Respondents maintained that this prospectus clearly outlined the risks involved with this investment, as well as the investment's limited liquidity. Respondents alleged that they always acted properly and that the Claimants fully authorized the purchase of the investment.

RELIEF REQUESTED

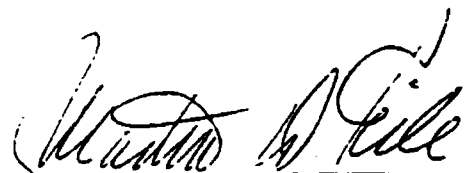
Claimants Regina and Peter Longo requested damages of \$10,000.00. Respondents Thomson McKinnon Securities, Inc. and Anthony Ferrone requested dismissal of the Statement of Claim in it entirety.

AWARD

On November 16, 1989, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants Peter and Regina Longo on June 19, 1989, and by Respondent Thomson McKinnon Securities, Inc. on September 22, 1989, and by Respondent Anthony Ferrone on October 16, 1989. The hearing was held at the offices of the National Association of Securities Dealers, Inc. in New York City and consisted of one (1) hearing session. The arbitration panel, having considered the pleadings, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Claims against Respondent Thomson McKinnon Securities, Inc. be and hereby are dismissed in their entirety.
2. Claims against Respondent Anthony Ferrone be and hereby are dismissed in their entirety.
3. The parties shall each bear their respective costs including attorney's fees.
4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$200.00 filing fee previously deposited by the Claimant as costs of the one hearing session conducted in this matter, and Respondent Thomson McKinnon Securities, Inc. be and hereby is liable and shall pay to the Claimants Regina and Peter Longo the sum of \$200.00 to offset the filing fee.

CONCURRING ARBITRATOR

A handwritten signature in cursive script, appearing to read "Martin D. Eile", written over a horizontal line.

MARTIN D. Eile, Esq.

DATED: November 20th, 1989