

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Thom Speckenbach
Rebecca Speckenbach & Robin Blackley

90-01701

Name of Respondent(s)

Lou Chiappone

Heard before:

Name	Public/Industry
Deborah Sherman, Esq. (chairperson)	Public Arbitrator
Anne Cugliani	Public Arbitrator
Karen Van Ingen, Esq.	Industry Arbitrator

REPRESENTATION

Claimants were represented by Keith Abramson, Esq. of The Law Offices of Keith Abramson in Stratford, Connecticut.

Respondent Lou Chiappone was represented by Edward D. Greenberg, Esq. of Schwartz & Greenberg in New York City.

CASE SUMMARY

This matter was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on June 15, 1990. Claimants Rebecca Speckenbach and Robin Blackley alleged that Respondent Lou Chiappone intentionally misrepresented two variable life insurance products that were unsuitable for the Claimants. Claimants further alleged that the Respondent committed acts of fraud and deceit in selling the unsuitable variable life insurance policies to the Claimants. Respondent Lou Chiappone maintained that a prospectus was given to the Claimants regarding the life insurance policies, that he met with the Claimants and fully discussed the policies and that the Claimants fully understood the nature of the investment.

RELIEF REQUESTED

Claimant Rebecca Speckenbach requested actual damages of \$247.00 and Claimant Robin Blackley requested actual damages of \$39.26. Claimants also requested lost interest and punitive damages of \$15,000,000.00. Respondent Lou Chiappone requested that the claims of the Claimants be dismissed and that he be awarded costs and attorneys fees.

AWARD

On December 18, 1990 in a pre-hearing telephone conference and on December 19, 1990, March 7, 1991 and April 2, 1991 in New York City during a hearing lasting seven (7) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants Thom Speckenbach and Robin Blackley on June 8, 1990 and by Respondent Lou Chiappone on October 3, 1990. Claimant Rebecca Speckenbach was added to the case caption on the sua sponte motion of the arbitrators.

After considering the pleadings, the testimony, and the evidence presented at the hearing, the arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- (1) The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.
- (2) The claims of the Claimants Thom Speckenbach, Rebecca Speckenbach, and Robin Blackley against the Respondent Lou Chiappone be and hereby are dismissed in their entirety.
- (3) The parties shall each bear their respective costs, including attorneys fees.

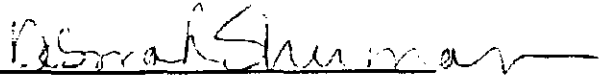
FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

- (1) The NASD shall retain the \$1,000.00 filing fee previously deposited by the Claimants. The Claimants are assessed an additional \$2,500.00 in forum fees.
- (2) Respondent Lou Chiappone is assessed \$3,500.00 in forum fees.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator(s) Signature



Deborah Sherman, Esq.

Anne Cugliani

Karen Van Ingen, Esq.

Date of Decision: _____

Concurring Arbitrator(s) Signature

Deborah Sherman, Esq.



Anne Cugliani

Karen Van Ingen, Esq.

Date of Decision: _____

Concurring Arbitrator(s) Signature

Deborah Sherman, Esq.

Anne Cugliani



Karen Van Ingen, Esq.

Date of Decision: _____