

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Lila M. Schneider

and

91-01940

Name of Respondents

Anchor National Financial Services, Inc.  
Sam J. Giallanza, John Glass and James  
M. Rapisarda

REPRESENTATION OF PARTIES

Claimant was represented by Larry R. Schneider, Esq., Linwood, N.J.

Respondent Anchor National Financial Services, Inc. was represented by John J. Nicgoraki, Esq. and John Hoopes, Esq. of Mohr, Backett, Pederson, Blakley, Randolph & Haga, P.C., Phoenix, Arizona.

Respondents Sam J. Giallanza, John Glass and James M. Rapisarda appeared pro se.

CASE INFORMATION

The Statement of Claim was filed on or about June 21, 1991. Claimant's Submission Agreement signed on June 18, 1991.

Statement of Answer of Respondent, Anchor National Financial Services, Inc. filed on or about September 24, 1991. Respondent Anchor National Financial Services, Inc.'s Submission Agreement signed on September 18, 1991 by Vincent J. Asaro.

Statement of Answer of Respondent Sam J. Giallanza filed on or about September 23, 1991. Respondent Sam J. Giallanza's Submission Agreement signed on September 20, 1991.

Statement of Answer of Respondent John Glass filed on or about September 23, 1991. Respondent John Glass's Submission Agreement signed on September 19, 1991.

Statement of Answer of Respondent James M. Rapisarda filed on or about September 23, 1991. Respondent James M. Rapisarda's Submission Agreement signed on September 19, 1991.

HEARING INFORMATION

The hearing was held on Friday, March 13, 1992 in Scottsdale, Arizona for a total of three (3) sessions.

#### CASE SUMMARY

Claimant alleged that Sam Giallanza, an employee of Respondent Anchor National Financial Services, Inc. improperly sold mutual funds held in her account to purchase other securities for her account.

Respondent Anchor National Financial Services, Inc. stated that the claimant was fully informed of the nature of the transactions and effectuated them as her free and informed choice. Anchor further stated that claimant was not an inexperienced investor and denied any wrongdoing in the handling of the claimants account.

Respondents John Glass and James M. Rapisarda adopted and incorporated as their own the Answer filed by Respondent Anchor National Financial Services, Inc.

Respondent Sam J. Giallanza stated that he recommended suitable investments for the claimant in light of her investment objectives and financial situation and needs.

#### RELIEF REQUESTED

Claimant requested an award directing Respondents to purchase for her account the appropriate number of shares of the mutual funds which she owned prior to the securities purchases and not the dollar amount received for the sale of those mutual fund shares.

Respondent Anchor National Financial Services, Inc., James M. Rapisarda and John Glass requested that the claim be dismissed and that they be awarded their attorney's fees, costs and expenses.

Respondent Sam J. Giallanza requested that the claim be dismissed and that Anchor National Financial Services, Inc. be responsible for his costs and attorney's fees.

#### OTHER ISSUES CONSIDERED & DECIDED

Respondent Sam J. Giallanza presented a Motion in Limine to exclude certain evidence. After hearing the arguments presented on behalf of the parties, the undersigned arbitrator denied the motion.

Respondent Sam J. Giallanza requested leave to file a cross claim against Respondent Anchor National Financial Services, Inc. and a waiver of the filing fee. After considering the requests and hearing the arguments presented on behalf of the parties, the undersigned arbitrator denied the motion without prejudice. In denying the motion the undersigned arbitrator is not ruling that Mr. Giallanza is precluded from filing a separate claim in arbitration against Respondent Anchor National Financial Services, Inc.

The parties have agreed that a handwritten, signed Award may be entered and to receive conformed copies of the award while the original remains on file

with the NASD.

AWARD

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

1. Respondents Anchor National Financial Services, Inc. and Sam J. Giallanza shall be and hereby are jointly and severally liable for and shall pay to the Claimant Lila M. Schneider the sum of \$10,625.00 or in the alternative shall purchase for the account of Lila M. Schneider the following:  
  
5.945 shares of Colonial Fund  
105.043 shares of Fidelity Disciplined Equity Fund  
166.896 shares of Fidelity Fund  
326.962 shares of Fidelity Puritan Fund  
41.464 shares of Putnam Convertible Fund
2. All claims asserted against Respondents John Glass and James M. Rapisarda shall be and hereby dismissed in their entirety.
3. Each party shall bear its own costs, expenses and attorney's fees incurred in this matter not specifically enumerated herein.

FORUM FEES


Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("NASD") shall retain the non-refundable filing fee in the amount of \$75.00 and shall retain the hearing session deposit in the amount of \$200.00 previously deposited with the NASD by the Claimant as forum fees. Respondents Anchor National Financial Services, Inc. and Sam J. Giallanza shall be and hereby are jointly and severally liable for and shall pay to the NASD the sum of \$400.00 as additional forum fees.

Forum fees are calculated at the rate of \$200.00 per hearing session.

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

Dated:

3/23/92

  
I. Douglas Dunipace, Esq.  
Presiding Public Arbitrator