

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Janine Elizabeth Secord

vs.

93-05262

Name of Respondents

Ronald Franklin Selvaggio
LaJolla Capital Corporation

REPRESENTATION

The Claimant appeared pro se.

The Respondent Ronald F. Selvaggio appeared pro se.

The Respondent LaJolla Capital Corporation was represented by James C. Weaver, Esq., LaJolla, CA.

CASE INFORMATION

Statement of Claim filed: December 20, 1993.

Claimant's Submission Agreement signed on: December 16, 1993.

Respondent Ronald F. Selvaggio's letter dated April 28, 1994 to Georgina N. Lynch.

Respondent Ronald F. Selvaggio's brother, Thomas Selvaggio's, letter dated April 8, 1994 to Georgina Lynch.

Statement of Answer filed by Respondent Ronald F. Selvaggio on April 13, 1994 through a letter dated April 5, 1994 to Georgina N. Lynch with attachments.

Respondent Ronald F. Selvaggio's Submission Agreement signed on April 11, 1994.

Respondent LaJolla Capital Corporation's Submission Agreement signed on May 4, 1994.

Respondent LaJolla Capital Corporation's Statement of Answer filed on May 3, 1994.

HEARING INFORMATION

Hearing Date/Sessions: December 13, 1994 - two sessions.

Hearing Location: ~~NASD office~~ *Swiss Hotel conference room DES* located in Atlanta, GA.

CASE SUMMARY

Claimant alleged that the Respondent, Ronald F. Selvaggio, an account executive at LaJolla Capital Corporation, was negligent in the advice he gave to the Claimant given her financial situation. Claimant further alleged the Respondent Ronald F. Selvaggio made misrepresentations to her and assured her there was no risk in her purchase of shares of stock in Alco International Corporation ("Alco"). Claimant further alleged that she informed the Respondent Ronald F. Selvaggio she wished to sell her shares but was told not to and that she would make money if she held on to the stock. Claimant further alleged she was not given full information throughout the process concerning Alco so that she could make an informed decision. Claimant further alleged because all of her money was tied up in this investment she was forced to charge an exorbitant amount on her credit cards and incur large interest charges.

Respondent Ronald F. Selvaggio, through a Statement of Answer filed by his brother Thomas L. Selvaggio, maintained that at no time did Ronald Selvaggio indicate that the investment was guaranteed. Respondent Ronald Selvaggio, through his brother, further maintained that the Claimant is a knowledgeable, shrewd individual who is trying to get back at Respondent Ronald F. Selvaggio's brother for a failed relationship by filing the claim. Respondent Ronald Selvaggio further maintained that Claimant filed a complaint with the NASD District 7 which was identical to the complaint filed in arbitration and it was determined in that filing that no action was warranted. Respondent Ronald Selvaggio further maintained he did not make misrepresentations to the Claimant and she made the decisions in her account when to hold her stock and when to sell. Respondent Ronald F. Selvaggio further maintained he was misled by the Claimant into believing she was suitable for the market both mentally and emotionally and indecision and greed on the part of the Claimant and coaching by suspect third parties are the underlying factors of the allegations in the complaint. Based on the

above, the Respondent Ronald Selvaggio made a motion to dismiss the complaint.

Respondent LaJolla Capital Corporation denied each and every claim of the Claimant.

RELIEF REQUESTED

Claimant requested that she be reimbursed for all of her money lost in the sum of \$8591.53 plus interest and further requested that she be reimbursed for the interest charges on her credit card for the sum she needed to borrow due to the loss in her investment.

Respondent Ronald F. Selvaggio requested a dismissal of all complaints against him.

LaJolla Capital Corporation requested a dismissal of all complaints against them.

OTHER ISSUES CONSIDERED & DECIDED

1. Prior to the first hearing session, the arbitrator reviewed the Respondent Ronald F. Selvaggio's Motion to Dismiss dated May 10, 1994 with attachments and ruled that it would be denied.
2. The Respondent Ronald F. Selvaggio then filed a Motion for Reconsideration and Counterclaim which was further denied by the arbitrator.
3. The Respondent LaJolla Capital Corporation did not attend the hearing and the arbitrator determined in accordance with Section 29 of the Code of Arbitration Procedure to proceed with the hearing.

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. The Respondent Ronald F. Selvaggio be and hereby is liable and shall pay to the Claimant the sum of \$3322.00, interest specifically excluded.

2. All claims against the Respondent LaJolla Capital Corporation are dismissed in all respects.
3. Each party shall bear their respective costs including attorneys' fees.

FORUM FEES

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

2 sessions x \$200.00 + \$75.00 claim filing fee = \$475.00.

The Claimant be and hereby is liable and shall pay to the NASD the sum of \$237.50 representing the outstanding fees and the Respondent Ronald F. Selvaggio be and hereby is liable and shall pay to the NASD the sum of \$237.50 representing the outstanding fees.

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

ARBITRATORS' SIGNATURE

A handwritten signature in black ink, appearing to read "Daniel E. Gulden", written over a horizontal line.

Daniel E. Gulden, Esq.
Public Arbitrator

Date of Decision: January 30, 1995