

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Sheila H. and Guy B. DiAmbrosio

94-01236

Name of Respondents

Escalator Securities Inc.
Howard A. Scala

REPRESENTATION

For Claimants Sheila H. and Guy B. DiAmbrosio ("Claimants"): Guy B. DiAmbrosio

For Respondents Escalator Securities, Inc. ("Escalator") and Howard A. Scala ("Scala"): Edwin Kagan, Attorney at Law, Tampa, Florida

CASE INFORMATION

Statement of Claim filed: March 31, 1994

Claimants' Submission Agreement signed on: March 30, 1994

Statement of Answer filed on: August 12, 1994

Respondent Scala's Submission Agreement signed on: August 12, 1994

HEARING INFORMATION

Hearing Date/Sessions: August 1, 1995 - two sessions

Hearing Location: NASD District Office, Philadelphia, PA

CASE SUMMARY

Claimants alleged, among other things, that Scala who was a registered representative and President of Escalator induced Claimants to invest in unsuitable investments given their financial needs. Claimants alleged that the investment strategy employed by Scala was not for their benefit but intended to benefit Respondents. Claimants alleged that it was impossible to determine the value of their account on a monthly basis and that they relied on Scala to determine the value of their portfolio. Claimants

alleged that they were unsophisticated investors who relied on Scala.

Respondents categorically denied all allegations of wrongdoing. Respondents maintained that Claimants' investment objective was growth and income. Respondents maintained that the investment strategy employed met Claimants' stated investment objectives and was suitable for Claimants. Respondents maintained that all investments made were for Claimants benefit to provide them with high rates of income. Respondents maintained that Claimants have failed to take into account certain monies that they have made through their investments as well as the value of all their securities.

RELIEF REQUESTED

Claimants requested, in their pleading, damages in the approximate amount of \$128,000.

Respondents requested that Claimants' claim be denied and that they be awarded costs and expenses.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may 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.

Although a properly filed submission agreement for Escalator was not filed, the Panel exercised its jurisdiction over Escalator and it is bound by the decision of the Panel.

AWARD

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

1. That Claimants' claim is denied in its entirety.
2. That the parties shall bear their respective costs including attorneys' fees except as specifically provided for below.

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FORUM FEES

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

2 sessions X \$750 = \$1,500 minus hearing session deposit of \$750 = net \$750 due.

Forum Fees Assessed Against: Claimants and Respondents equally

Claimants have already deposited \$750 as a Hearing Session Deposit so that no new fees are due from Claimants. Respondents Escalator Securities and Howard Scala are jointly and severally assessed forum fees in the amount of \$750.

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

By The Arbitration Panel:

Dated:

8/22/95

Joseph F. Keener, Jr., Presiding
Public Arbitrator

Edward M. Miller
Edward M. Miller, Ph.D.
Public Arbitrator

Robina Fedora Asti
Industry Arbitrator

Date Award Served By the NASD: August 31, 1995

August 22, 1995
Regina A. Bless

REGINA A. BLESS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 10, 1997

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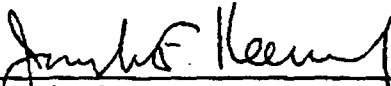
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By The Arbitration Panel:

Dated:

8-17-95



Joseph F. Keener, Jr., Presiding
Public Arbitrator

Edward M. Miller, Ph.D.
Public Arbitrator

Robina Fedora Asti
Industry Arbitrator

Date Award Served By the NASD:

August 31, 1995

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By The Arbitration Panel:

Dated:

Joseph F. Keener, Jr., Presiding
Public Arbitrator

Edward M. Miller, Ph.D.
Public Arbitrator

6/31/95

Robina Fedora Asti
Industry Arbitrator

Date Award Served By the NASD: August 31, 1995