

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Susan Blezow

95-04835

Name of Respondents

Samuel A. Ramirez & Co., Inc.  
Nick D'Alleva

REPRESENTATION

For Claimant Susan Blezow ("Claimant") appeared Joseph M. Palmiotto, a sole practitioner located in New York City, New York.

For Respondent Samuel A. Ramirez & Co., Inc. ("Ramirez") appeared Kathy H. Rocklen, Esq. of the law firm Kathy H. Rocklen, P.C. located in New York City, New York.

Respondent Nick D'Alleva ("D'Alleva") appeared Pro Se.

CASE INFORMATION

Statement of Claim filed on: October 12, 1995.

Claimant's Submission Agreement signed on: September 14, 1995.

Respondent Ramirez's Statement of Answer filed on: December 28, 1995.

Respondent Ramirez's Submission Agreement signed on: December 28, 1995.

Respondent D'Alleva's Statement of Answer filed on: December 18, 1995.

Respondent D'Alleva's Submission Agreement signed on: December 18, 1995.

HEARING INFORMATION

|                        |                   |   |            |
|------------------------|-------------------|---|------------|
| Hearing Date/Sessions: | July 11, 1996     | - | 2 Sessions |
|                        | August 1, 1996    | - | 2 Sessions |
|                        | August 2, 1996    | - | 2 Sessions |
|                        | November 12, 1996 | - | 2 Sessions |

The hearings were held at the offices of the National Association of Securities Dealers Regulation, Inc. or at nearby facilities located in New York City.

### CASE SUMMARY

Claimant alleged during the period from December 1993 through January 1995, she invested her life savings with Respondent Ramirez through its employee D'Alleva. Claimant further alleged that she instructed Respondents not to invest her money in high risk securities. Claimant also alleged that respondent D'Alleva had been placing her money in securities which had greater risk than was prudent under the circumstances, while assuring her that her investments were safe with low risk. Claimant asserted that Respondents misled her about the level of risk involved with the securities purchased for her account. Claimant further asserted that Respondents failed to disclose the true character of the investments made in her account. Claimant also asserted that respondents failed to stem the losses in her account after they knew or should have known that her accounts were sustaining unacceptably high losses.

Respondent Ramirez maintained that during the period from December 1993 to January 1995, Respondent D'Alleva spent considerable time and effort helping Claimant devise an investment strategy to meet her investment goals. Respondent Ramirez further maintained that the investments in Claimant's account conformed to her investment goals. Respondent Ramirez denied that Claimant was misled regarding the level of risk in the securities purchased for her account. Respondent also maintained that D'Alleva attempted to deter Claimant from investing in high risk bonds, telling her that the risks of investing in such securities far outweighed any benefit of the higher yield.

Respondent D'Alleva maintained that after Claimant's husband's death, he had numerous conversations about investing her money so that they could create a monthly income adequate enough in order to maintain her current lifestyle. Respondent D'Alleva further maintained that they drew up a list of her monthly expenses so that they could get a better picture of her cash flow. Respondent D'Alleva also maintained that at the end of their meeting Claimant told him that she would like to invest approximately \$200,000.00 and keep \$100,000.00 in the bank. Respondent D'Alleva contended that he spent numerous hours putting together a plan for her, consulting with all key personal at Ramirez.

Respondent D'Alleva contended that he wanted to try and keep Claimant in the lowest possible tax bracket possible because \$200,000 in investments could push her into a higher tax bracket. Respondent further contended that he figured investing between \$70,000 and 80,000 in New York tax-free municipal bonds, and the rest in a taxable income producing mutual funds might solve her tax problem. Respondent D'Alleva also contended that he gave Claimant reports and prospectus' on the possible funds, plus business cards for the representatives of each fund so that she could have all of her questions answered. Respondent D'Alleva maintained that Claimant stated that she reviewed all the material and consulted with other people, including her accountant, before making her investments.

Respondent D'Alleva contended that every time Claimant invested in a mutual fund she received a prospectus, which was stated on each confirmation and on her monthly statements. Respondent D'Alleva further contended that he went over and explained each and every investment with Claimant before she made a purchase. Respondent also contended that he kept her apprised of her financial status by monthly statements, telephone conversations and personal visits any time she requested.

**RELIEF REQUESTED**

Claimant Susan Blezow requested \$100,000.00, together with reasonable attorneys' fees and other relief as the arbitrators deem just and proper.

Respondent Ramirez requested that the claims of claimant be dismissed in their entirety.

Respondent D'Alleva requested that the claims of claimant be dismissed in their entirety.

**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.

**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. The claims of Claimant Susan Blezow against respondents Samuel A. Ramirez & Co. and Nick D'Alleva are dismissed in their entirety.
2. All other relief requests are denied.
3. Each party shall bear their respective costs, including attorney's fees.

**FORUM FEES**

Pursuant to Section 10332 of the Code of Arbitration Procedure, the arbitrators determined that the National Association of Securities Dealers Regulation, Inc. shall retain \$150.00 non-refundable filing fee previously deposited by claimant and have assessed the following Forum Fee.

|                        |   |                 |
|------------------------|---|-----------------|
| 8 Sessions X \$500.00  | = | \$4,000.00      |
| minus deposit \$500.00 | = | <u>\$500.00</u> |
| Total outstanding      | = | \$3,500.00      |

Claimant Susan Blezow be and hereby is liable and shall pay National Association of Securities Dealers Regulation, Inc. the sum of \$2,000 representing one-half of the total forum fees assessed. Claimant previously deposited \$500.00 with the NASD Regulation, Inc. Therefore, Claimant owes the NASD Regulation, Inc. \$1,500.00. Respondent Samuel A. Ramirez & Co. be and hereby is liable and shall pay the National Association of Securities Dealers Regulation, Inc. the sum of \$2,000.00 representing one-half of the total forum fees assessed.

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

W.E.S. Browning

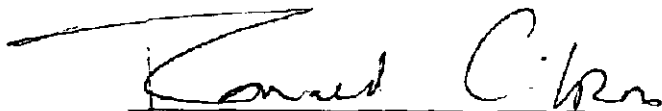
William E.S. Browning, Esq.

I, William E.S. Browning, do hereby affirm that this is my decision in the above captioned matter.

W.E.S. Browning

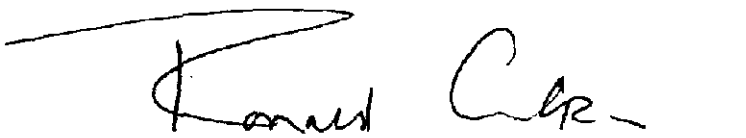
William E.S. Browning, Esq.

Date of Decision: December 09, 1996

A handwritten signature in cursive script, appearing to read "Ronald Citron", written over a horizontal line.

Ronald Citron

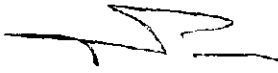
I, Ronald Citron, do hereby affirm that this is my decision in the above captioned matter.

A handwritten signature in cursive script, appearing to read "Ronald Citron", written over a horizontal line.

Ronald Citron

Date of Decision: December 09, 1996

ARBITRATOR'S SIGNATURES



Robert Pincus, Esq.

I, Robert Pincus, do hereby affirm that this is my decision in the above captioned matter.



Robert Pincus, Esq.

Date of Decision: December 09, 1996