

N.A.S.D. REGULATION AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION

In the Matter of the Arbitration Between

Name of Claimants

Anne M. and John Primarolo

96-01219

Name of Respondents

Michael A. Lodispoto
Landmark International Equities

REPRESENTATION

Claimants Anne M. and John Primarolo ("Claimants") appeared *pro se*.

Respondents Michael A. Lodispoto ("Lodispoto") and Landmark International Equities ("LIE") did not appear.

CASE INFORMATION

The Statement of Claim was filed March 15, 1996.

Claimants' Submission Agreement was signed on March 14, 1996.

The Joint Statement of Answer of Lodispoto and LIE (collectively "Respondents") was filed on June 7, 1996.

Lodispoto's Uniform Submission Agreement was signed on June 6, 1996.

LIE's Uniform Submission Agreement was signed on June 6, 1996.

HEARING INFORMATION

Hearing Date/Sessions: December 2, 1996/one session

Hearing Location: 1717 Arch Street, 37th Floor
Philadelphia, PA

CASE SUMMARY

Claimants alleged, among other things, that Lodispoto suggested unsuitable investments to Claimants in speculative stocks and warrants. Claimants alleged that they were very unsophisticated investors. Claimants further alleged that the source of the funds were in part from the sale of stock in Brunswick Corporation, which Claimants had received as an employment benefit, in part from an IRA account held by Claimants and from a cash advance on a credit card. Claimants alleged that they relied upon Lodispoto's fraudulent misrepresentations in order to make investments in Glaxco Co. and then in stock and warrants of a company known as "RFMC". Claimants alleged that Lodispoto failed to provide documentation or printed information concerning these companies prior to the transactions. Claimants alleged that Lodispoto induced them to authorize additional investments in Guardian Technologies ("Guardian") by misrepresenting the control which LIE exercised over the pricing of RFMC and Guardian. Claimants alleged that LIE failed to properly supervise Lodispoto in the management of their

account. In addition, Claimants alleged that all communications with Respondents, including complaints, went unanswered by Respondents. Claimants alleged that Respondents are liable for the damages suffered.

Respondents did not appear at the hearing to provide evidence in support of their case, but in their Joint Statement of Answer, denied the allegations as asserted in the Statement of Claim. Respondents maintained that Claimants were sophisticated and active traders. Respondents maintained that each transaction was fully discussed with Claimants and Claimants received confirmations and monthly statements. Among others, Respondents raised the affirmative defenses of contributory negligence, proximate cause, failure to mitigate damages, laches and ratification. Respondents maintained that any losses suffered by Claimants was the result of Claimants' own decisions.

RELIEF REQUESTED

Claimants requested damages in the amount of \$20,541.44, plus prejudgment interest from February 27, 1996, consequential damages of \$3,760.00, as well as the costs attributed to this arbitration.

Respondents requested in the Joint Statement of Answer that the statement of claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that a handwritten, signed Award may be entered. In this case, the parties have agreed to receive a conformed copy 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. That based on the evidence of fraudulent misrepresentations made by Respondents to Claimants, the Respondents, jointly and severally, shall be liable to and shall pay to Claimants the sum of \$25,225.79 in damages.
2. That Respondents shall be jointly and several liable for and shall pay to Claimants the sum of \$100.00 for the filing fee in this arbitration proceeding.
3. That any and all relief not specifically addressed herein shall be denied.


FORUM FEES

Pursuant to Rule 10332(c) (formerly Section 43) of the Code of Arbitration Procedure, the following Forum Fees are assessed:

1 session x \$300.00 = \$300.00

Forum Fees are assessed to Respondents, jointly and severally. Therefore, Respondents are jointly and severally liable to and shall reimburse Claimants for the \$300.00 hearing session deposit previously submitted to the NASD Regulation.

Arbitrator's Signature


Steven T. Stern, Esquire
Public Arbitrator

Dated: 12/6/96

Date Decision Served by NASD Regulation: December 10, 1996