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Sonn & Erez PLC Says Securities America Ordered to Pay Investor \$1.2 Million Over Medical Capital Ponzi Scheme

FORT LAUDERDALE, Fla., Jan. 3, 2011 (GLOBE NEWSWIRE) -- The securities law firm of Sonn & Erez PLC (<http://www.sonnerez.com>) announced today that Securities America, a division of Ameriprise Financial, was hit with a \$1.2 million dollar verdict in a FINRA arbitration, Wayman vs. Securities America and Randall Talbot (Case No. 10-12), over allegations concerning the Medical Capital Ponzi Scheme that cost thousands of investors over \$1 billion in losses. Jeffrey Sonn, Esq., whose firm Sonn & Erez represents numerous investors around the country seeking millions in damages, said "The verdict is significant because the arbitration panel awarded the investor punitive damages and attorney's fees on top of the investor's losses. This sends a message to all broker dealers that they have an obligation to conduct proper due diligence on private placement investments before the sale is made, and any recklessness or willfull blindness in conducting due diligence may justify punitive damages."

Medical Capital purportedly raised almost \$1.8 billion dollars from thousands of investors to invest in medical receivables. In fact, it was revealed that later investor money was used to pay earlier investors, in a classic Ponzi scheme, while the company skimmed hundreds of millions in "management fees" or expenses, without disclosing that investor money was being systematically misused. The Court appointed receiver has collected about \$98 million from liquidating Medical Capital assets as of September 30, 2010, and investor claims are approximately \$1.1 billion.

Sonn & Erez has filed numerous arbitration suits for investors all over the country seeking millions of dollars against Securities America and other broker dealers to recoup investors' moneys for failure to conduct proper due diligence on Medical Capital, among other claims.

"There are a lot of lawyers out there, but not many who handle Ponzi Scheme cases as often as we do," added Sonn.

Sonn & Erez is an AV-Rated law firm that represents investors nationwide in stockbroker misconduct and investment fraud cases. The firm has represented individual and institutional investors against most major Wall Street brokerage firms in claims involving ponzi schemes, stocks, bonds, options, auction rate securities, mutual funds, hedge funds, and other structured products. If you lost money in the Medical Capital Ponzi Scheme, please contact Jeffrey Sonn, Esq. or Jeff Erez at 1-866-372-8311, or 305-785-0497 for a free evaluation. You also may visit the firm on the web at www.sonnerez.com.

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