

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Olde Discount Corporation

89-00378

Name of Respondent

John M. Treff

OCT 5 1990

CASE SUMMARY

In a statement of claim filed with the NASD on or about February 8, 1989, Claimant Olde Discount Corporation ("Olde") alleged that Respondent John M. Treff ("Treff") incurred a debt to Olde as a result of the liquidation of Treff's margin account balance on October 21, 1987. Olde alleged that the liquidation of 3400 shares of stock in First Federal of Michigan common stock was permissible pursuant to the terms of the margin account established by Treff at Olde on November 21, 1984. Olde alleged that even after the stock liquidation, Treff's account had a debit balance.

In his statement of answer filed with the NASD on or about November 3, 1989, Treff alleged that Olde improperly liquidated his account without providing Treff the opportunity to meet the margin call in his account. Treff alleged that he had contacted his broker at Olde to inquire how much cash was needed in order to satisfy the margin call. Treff alleged that his broker was unable to determine how much was needed, but that the broker would let the margin department know that Treff was ready to meet his margin call. Treff alleged that he had been given 4 business days to meet prior margin calls and that he was not given this amount of time in this instance.

Treff asserted a counterclaim against Olde based on the past practices of allowing him time to meet any margin calls. Treff alleged that Olde should have given him time to meet his call in this instance as in the past.

Olde replied to the counterclaim and alleged that the counterclaim be dismissed because the contractual provisions of the margin agreement allowed Olde to liquidate the positions in Treff's account without notice whenever deemed appropriate.

RELIEF REQUESTED

Olde requested damages of \$2179.00 plus interest. Treff requested dismissal of the claim and an award of \$6005.00 on his counterclaim plus interest. Olde requested dismissal of the counterclaim.

AWARD

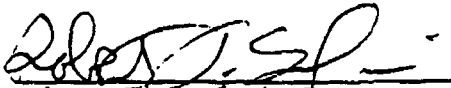
As the arbitrator appointed to decide the matter in controversy between the parties as set forth in submissions to arbitration signed on September 12, 1989 by Bruce Campbell on behalf of Claimant Olde Discount Corporation and on October 31, 1989 by Respondent John M. Treff, I have considered the pleadings and additional submissions filed by the parties in this matter without a hearing pursuant to Section 13 of the NASD Code of Arbitration Procedure and have decided in full and final resolution of all issues submitted to me for determination as follows:

OLDE'S CLAIM

1. Treff is liable for and shall pay to Olde the sum of One Thousand Five Hundred Dollars and No Cents (\$1500.00);
2. No interest is assessed or awarded on the above sum.

TREFF'S COUNTERCLAIM

3. Treff's counterclaim shall be and is hereby dismissed in its entirety;
4. The parties shall each bear any costs or expenses not enumerated elsewhere in the award; and
5. Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees the \$525.00 filing fee previously deposited with the NASD by Claimant Olde Discount Corporation.


Robert J. Scafuri, Esq.
Presiding Arbitrator

DATE SERVED: OCTOBER 8, 1990