

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Edward C. & Lora A. Hannasch
Lora A. Hannasch
Edward C. Hannasch

91-02458

Name of Respondent

Olde Discount Corporation

REPRESENTATION

For Claimants: pro se.

For Respondent: James E. Hall, Esq. of Olde Discount Corporation, Detroit, Michigan.

CASE INFORMATION

Statement of Claim filed: August 8, 1991.

Claimant's Submission Agreement signed on: August 1, 1991.

Statement of Answer filed by Respondent on: November 25, 1991.

Respondent's Submission Agreement signed on: October 17, 1991.

HEARING INFORMATION

Hearing Date/Session: May 4, 1992 for one (1) session.

Hearing Location: Minneapolis, Minnesota.

CASE SUMMARY

Claimants Edward Hannasch and Lora Hannasch ("Claimant") alleged that Respondent Olde Discount Corporation ("Respondent") failed in their fiduciary duties by not monitoring Claimant's accounts and cautioning Claimants about the sizable losses which were being incurred between 1985-1989 in stocks and options they held in their accounts such as Holiday Inn, ITT, MCI, Ford, Texaco, and Dayton Hudson. Claimant further alleged that Respondent never disclosed to Claimant the great volatility involved in buying and selling options and stocks. Claimant also alleged that Respondent churned their accounts.

Respondent alleged that they did not breach their fiduciary duty because Claimant made all of his own decisions. Respondent alleged that they neither recommended nor solicited the purchase or sale of the securities. Respondent further alleged that there is no liability for failing to inform a customer of the great risks involved in trading and directing your own accounts. Respondent denied churning Claimant's account.

Claimant filed a Section 25 Motion pursuant to the Code of Arbitration Procedure which in effect bars Respondent from presenting any matter, arguments, or defenses at the hearing because Respondent failed to file an answer within twenty (20) business days from receipt of service of the claim.

RELIEF REQUESTED

Claimants requested damages of over \$50,000.00 but under \$100,000.00 for Olde Discount Corporation's negligence in handling Claimant's account, plus punitive damages.

Respondent requested that there be no liability for Claimant's losses.

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.

The panel denied the Claimant's Section 25 motion.

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 Claimant's Statement of Claim shall be and hereby is denied;
2. Each of the parties shall bear their own costs and expenses incurred other than those costs specifically enumerated herein.

FORUM FEES

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

1 session X \$500 = \$500 minus hearing session deposit of \$500 = net 0
due to the NASD.

Forum fees Assessed Against: Respondent Olde Discount Corporation.
Respondent Olde Discount Corporation shall reimburse to the Claimant the
claim filing fee and hearing session deposit previously deposited with
the NASD in the total amount of Six Hundred and Fifty Dollars (\$650.00).

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

By The Arbitration Panel:

Dated:

Timothy M. Heaney, Esq., Chairperson
Public Arbitrator

Wendy A. Sacha
Wendy A. Sacha
Public Arbitrator

Deen E. Hutton
Industry Arbitrator

May 11, 1992

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By The Arbitration Panel:

Dated:

Timothy M. Hanney
Timothy M. Hanney, Esq., Chairperson
Public Arbitrator

May 13, 1992

Wendy A. Sachs
Public Arbitrator

Dean E. Hutton
Industry Arbitrator

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By The Arbitration Panel:

Dated:

Timothy M. Heaney, Esq., Chairperson
Public Arbitrator

Wendy A. Sacha
Public Arbitrator



Dean E. Button
Industry Arbitrator

5-8-92