

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

 In the Matter of the Arbitration Between :
 :
 Charles J. Thorne :
 :
 Claimant :
 :
 vs. : **CASE #92-00981**
 : **AWARD**
 :
 Wedbush Morgan Securities, Inc. :
 Wilshire Discount Brokerage Services :
 :
 Respondents :

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 19, 1992, Claimant Charles J. Thorne, who appeared Pro Se, alleged that Respondents Wedbush Morgan Securities, Inc. and Wilshire Discount Brokerage Services refused to margin some Zero Coupons Bonds unless the Claimant could deposit an additional \$50,000 which he did, but the check was credited to the wrong account and the Respondents refused to correct the transfer, causing a loss.

Respondent Wedbush Morgan Securities, Inc., through its representative, Wendy Rea, maintained that it was forced to liquidate 2,400 shares of Great Western Financial in order to meet required funds that were due, since Regulation T allowed no further extensions to the Claimant. This Respondent further maintained that the check which the Claimant submitted was deposited into the account that reflected the same name as was indicated on the check, and that since Respondent Wilshire Discount Brokerage Services could not provide documents that reflected the legal means by which these funds could be commingled, the funds had to be released and redeposited to the appropriate account.

Respondent Wilshire Discount Brokerage Services, through its representative, Phil Fistori, maintained that stock was sold from the Claimant's account in order to cover a margin call, and that the Claimant was informed of when the stock fell in price, affording the Claimant the opportunity to repurchase the stock, which he decided not to do.

RELIEF REQUESTED

Claimant Charles J. Thorne requested \$3,870.43 in actual damages, plus interest.

Respondent Wedbush Morgan Securities, Inc. requested the claims of the Claimant be dismissed.

Respondent Wilshire Discount Brokerage Services requested the claims of the Claimant be dismissed.

AWARD

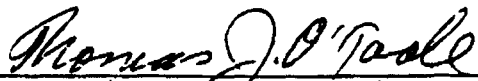
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Thomas J. O'Toole, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on April 20, 1992, by the Respondent Wilshire Discount Brokerage Services on May 8, 1992 and by Respondent Wedbush Morgan Securities, Inc. on June 9, 1992.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimant Charles J. Thorne against Respondent Wedbush Morgan Securities, Inc. and Wilshire Discount Brokerage Services are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

I, **THOMAS J. O'TOOLE**, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATE OF DECISION: September 28, 1992