

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Orville M. and Shirley G. Tucker

FL ARBITRATION

92-03634

Name of Respondents

Olde Discount Corporation
Jeffrey R. Donaldson

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FL ARBITRATION

REPRESENTATION

For Claimants, Orville M. and Shirley G. Tucker ("the Tuckers"): pro se.

For Respondent, Olde Discount ("Olde"): Bruce A. Campbell of Olde Discount Corporation.

For Respondent, Jeffrey R. Donaldson: pro se.

CASE INFORMATION

Statement of Claim filed: 10/27/92.

Claimant's Submission Agreement signed on: 10/8/92.

Statement of Answer filed by Respondent, Olde.: July 14, 1993.

Respondent, Olde, did not submit an executed Submission Agreement or Corporate Acknowledgment as required by Section 12 of the Code of Arbitration Procedure.

Respondent, Donaldson, did not file a Statement of Answer or submit an executed Submission Agreement as required by Section 12 of the N.A.S.D. Code of Arbitration Procedure.

HEARING INFORMATION

Hearing Date/Sessions: 6/18/93/One-(1) session.

Hearing Location: Tampa, Florida.

CASE SUMMARY

Claimant, Orville M. Tucker, representing Claimants, alleged that on April 7, 1992, Donaldson, a registered representative of Olde, solicited him by telephone and induced him to buy 500 shares of stock in Sequoia Systems, Inc. at \$15.25 per share for his margin account at Olde. Claimant alleged that thereafter, on June 18, 1992 the stock dropped to approximately \$9.00 per share. Claimant contended that the foregoing purchase was not suitable for his account in light of his stated investment objectives of moderate risk and growth over long term; that Claimant was part of what he believed to be a scheme by Olde to unload a stock in which it made a market on its customers before a price drop.

Respondent, Olde, denied all allegations of wrongdoing and maintained that Claimant is attempting to hold Olde responsible and liable for fraudulent actions of Sequoia Systems, Inc. ("SEQS") and its officers and directors although Olde has no control over those parties. Olde further maintained that the purchase of SEQS was entirely in line with Claimants' stated investment objectives and trading history and that Claimant is a sophisticated investor with twenty years experience trading stocks. Respondent, Olde contended that Claimant needs to pursue his claim as part of the class action which is pending in federal court and that Claimant failed to make a valid claim against Olde.

RELIEF REQUESTED

Claimants requested an award of damages in the amount of \$3,288.50 plus expenses.

Respondent, Olde, requested dismissal of the Claim.

OTHER ISSUES CONSIDERED & DECIDED

1. Although, Respondent, Olde submitted a Statement of Answer, it did not submit an executed Submission Agreement nor did it appear at the hearing. Respondent, Donaldson did not Submit an executed Submission Agreement. File a Statement of Answer nor did he appear at the hearing. Based upon the evidence submitted in Arbitrator's Exhibit No. 1 regarding hearing notices to the parties this arbitrator found that proper notice existed as to Olde, and that jurisdiction

existed as to Olde and Donaldson pursuant to Section 12 of the NASD Code of Arbitration Procedure and pursuant to the Form U-4 executed by Donaldson and pursuant to Section 29 of the Code of Arbitration Procedure. this arbitrator proceeded with the hearing in Respondents' absence.

2. At the hearing, the arbitrator heard Claimants' Claim in the absence of both Respondents but decided to keep the record open for a reasonable period to allow Respondent. Olde. to submit documentation for the arbitrator's consideration.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Olde and Donaldson are found liable, jointly and severally and shall pay to the Claimants the amount of \$3,288.50 plus interest at the legal rate of 12% per annum from June 18, 1992 to the date of this award.

OTHER COSTS

The parties shall each bear their own costs incurred in connection with this proceeding.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the arbitrator has assessed forum fees in the amount of \$100.00 (One hearing session X \$100.00.)

1. Respondents, Olde and Donaldson, are hereby, jointly and severally assessed forum fees in the amount of \$100.00 to be paid directly to Claimants.

2. The NASD shall retain the non-refundable filing fee of \$50.00 paid by the Claimants.

Arbitrator's Signature


George S. Coit, Jr., Esq.
(Sole Public Arbitrator)

Date of Decision: 11/11/92