

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of Arbitration Between

Name of Claimants

James Alan Lengtel  
Emma Lengtel

vs.

Case # 93-00406

Name of Respondents

Olde Discount Corporation  
Tony Curnow

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**REPRESENTATION**

Claimant, James Alan Lengtel ("Claimant") appeared pro se.

For Respondents, Olde Discount Corporation ("Olde") and Tony Curnow ("Curnow"), Ina N. Otto, Esq., in-house counsel of Olde.

**CASE INFORMATION**

Statement of Claim filed on January 29, 1993.

Claimant's Submission Agreement signed on January 25, 1993.

Joint Statement of Answer filed by Olde and Tony Curnow on October 11, 1993.

Olde's Submission Agreement signed on October 11, 1993.

Tony Curnow did not file a Submission Agreement.

**HEARING INFORMATION**

Hearing Date/Sessions:

October 20, 1993

1 session

Hearing Location: Embassy Suites located at 28100 Franklin Road, Southfield, MI.

**CASE SUMMARY**

Claimant alleged that he placed an order to purchase 2,500 shares of Continental Airlines ("CTA") from Olde. Claimant alleged that he telephoned Olde on March 17, 1992 to check the price of CTA and was told of a severe price change in CTA and that there was news related to CTA on the newswire. Claimant alleged that he was not told what the news was and that this information was purposely withheld from him. Claimant alleged the news was that CTA would no longer be listed on the American Stock Exchange ("AMEX"). Claimant alleged that he asked his account representative, Tony Curnow, if he was obligated to accept the purchase of CTA since the delisting occurred during the purchase settlement period and since the CTA was now something other than what he had ordered. Claimant alleged that he was told to call the Olde main office and speak to someone in customer relations. Claimant alleged that the personnel at Olde's customer relation department was cordial but non-committal. Claimant alleged that on March 27, 1992 he received a check from Olde for an amount which remained in his account. Claimant alleged that he was told that his account was closed because he would not pay his bills. Claimant alleged that the allegation that he would not pay his bills is untrue and wholly without merit.

Respondents maintained that claimant placed an unsolicited order to buy 2,500 shares of CTA. Respondents maintained that claimant had sufficient funds in his account to pay for the trade, so on settlement date, cash in the account was credited towards the cost. Respondent alleged that on a date after the completed execution of claimant's trade, CTA was delisted from the AMEX. The stock dropped sharply in price.

Respondents maintained that Claimant's account was coded to allow only closing transactions, no further purchases, would be allowed. Respondents maintained that Olde made it clear to claimant that Olde did not wish to have a continuing account relationship with Claimant. Respondents maintained that Olde sent Claimant the balance of the funds in the account on March 26, 1992 and on April 13, 1992 shipped the 2,500 shares of CTA to Claimant to close the account. Respondents maintained that a settlement period is not an opportunity for a buyer or seller to cancel the sale.

**OTHER ISSUES CONSIDERED & DECIDED**

The parties have agreed to receive conformed copies of the award while the original remain on file with the NASD.

**RELIEF REQUESTED**

Claimant requested:

- 1) \$3,278.13, which represents the difference between the \$3,841.75 purchase price for the 2,500 shares of CTA and the amount for which the shares were sold.

Respondents requested: Claimant's demands be denied in their entirety.

**AWARD**

1. The claimant's claims are denied in their entirety.
2. That all forum fees for the cost of this arbitration be assessed against the Respondents.

**FORUM FEES**


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

Non-refundable Filing Fee:	\$50.00
Hearing Session Fees:	\$100.00 x 1 = \$100.00
Total:	\$150.00

1. Respondents shall pay the NASD, Inc. \$150.00 for the cost of this arbitration.
2. Respondents shall jointly and severally satisfy this amount by reimbursing Claimant \$150.00, which represent fees paid to the NASD.

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

ARBITRATION PANEL



A. Robert Bliven

Public Arbitrator



Levi T. Gardner, III

Public Arbitrator



Thomas C. Girardot

Industry Arbitrator

Date of Decision: 10/20/1993

NASD DATE OF DECISION: February 8, 1994