

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Thomas E. White

93-02836

Name of Respondents

Olde Discount Corporation
Guy Gage

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 20, 1993, Claimant Thomas E. White, who appeared Pro Se, alleged that he contacted Respondent Guy Gage of Respondent Olde Discount Corp. about Dividend Reinvestment Programs at which time, Respondent Guy Gage recommended that Claimant purchase 50 shares each of Johnson & Johnson, Merck & Co., and Philip Morris, whereby since the branch office computer was down, no buy orders were given to him because he was not given the trade prices. Claimant further alleged that he told Respondent Guy Gage that he only had \$6,000.00 to invest, and that he wanted to know the price of each stock before giving authorization to purchase anything whereby Respondent Guy Gage said that he would contact him later that day with the trading prices to determine if Claimant wanted to make the purchases. Claimant contended that almost two weeks later, Claimant started getting phone calls at work from Respondent Guy Gage telling him that his account was delinquent by more than \$6,700.00 for the above three purchases plus commissions; however, no confirmation notices were received by Claimant for the three alleged purchases, so Claimant was surprised by the disclosure. Claimant further contended that he immediately notified Respondent Olde Discount Corp., in writing, about the problem, and when Claimant refused to pay for the unauthorized purchases, Respondent Olde Discount Corp. sold the disputed 50 shares each of Johnson & Johnson, Merck & Co. and Philip Morris whereby they charged Claimant additional commissions on those transactions. Claimant asserted that Respondent Olde Discount Corp. also sold sixteen of his 50 shares of Bristol Myers Squibb stock and upon receiving the confirmation notice for that transaction, Claimant once again protested in writing as required by stated company policy whereby the Bristol Myers Squibb stock that they sold was published in Claimant's name, not the street name, on March 22, 1993, paid in full, and the stock certificates were requested to be sent to Claimant and it is doubtful that

Respondent Olde Discount Corp. had the stock certificates in their possession when they sold his stock. Claimant further asserted that the selling of 16 shares of Bristol Myers Squibb put him below the 50 shares required to participate in the company's Dividend Reinvestment Program. Claimant further alleged that the amount he seeks from Respondents Olde Discount Corp. and Guy Gage is \$1,000.00, to cover the cost of purchasing 16 additional shares of Bristol Myers Squibb stock which were sold without his authorization.

Respondents Olde Discount Corp. and Guy Gage, by and through their in-house counsel Ina N. Otto, Esq., maintained that on or about March 25, 1993 Claimant Thomas E. White contacted the Respondent Guy Gage, to place an unsolicited order to buy 50 shares each of Johnson & Johnson, Merck & Co. and Philip Morris in his margin account at Respondent Olde Discount Corp. whereby the orders were market price orders, and were read back to Claimant, who did not dispute them. Respondents further maintained that when Claimant later refused to pay for the trades, the shares were sold under the provisions of Regulation T and because the net value of the shares had dropped since their purchase, the sale did not cover the entire purchase price whereby to cover the difference, Respondent Olde Discount Corp. sold 16 shares of the 50 shares of fully paid for Bristol Myers Squibb stock Claimant purchased in his account on March 22, 1993, at which time, Claimant is now trying to recover the 16 shares of his Bristol Myers Squibb stock, in effect asking Respondents to be a guarantor of his stock purchase. Respondents contended that Claimant has tried different avenues for this claim and unhappy with the results from the regulatory agencies, he continues into the court system, and now arbitration, whereby his failure to even mention much earlier disappointments serves to mislead those reading his latest claim into thinking that this is the first avenue he has pursued, when in fact he has been denied in his earlier requests multiple times. Respondents further contended that Claimant does not want anyone in this proceeding to hear that the matter has been investigated again and again, with the same result; no cause of action for Claimant.

RELIEF REQUESTED

Claimant Thomas E. White requested the sum of \$1,000.00 in actual damages.

Respondents Olde Discount Corp. and Guy Gage requested the claim be denied in its entirety.

AWARD

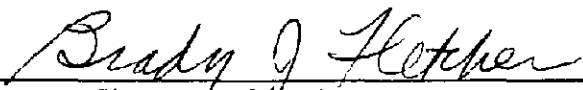
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Brady J. Fletcher, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on July 15, 1993, by the Respondent Olde Discount Corp. on September 3, 1993 and by the Respondent Guy Gage on September 17, 1993.

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 claim of Claimant Thomas E. White against Respondents Olde Discount Corp. and Guy Gage is dismissed.
2. The parties shall bear their respective costs.
3. The \$30,000 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Thomas E. White shall be retained by the NASD, Inc.

AFFIRMATION

I, **BRADY J. FLETCHER**, 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: December 28, 1993

STATE OF INDIANA

SS:

COUNTY OF MARION

BEFORE ME THE UNDERSIGNED, A NOTARY PUBLIC FOR HAMILTON COUNTY, STATE OF INDIANA, PERSONALLY APPEARED BRADY J. FLETCHER AND ACKNOWLEDGED THE EXECUTION OF THE FOREGOING INSTRUMENT THIS 16TH DAY OF DECEMBER, 1993.



MICHELLE GRIGDESBY, NOTARY PUBLIC

MY COMMISSION EXPIRES 12-28-94.