

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Roy E. and Stella F. Tower

93-03636

Name of Respondents

Olde Discount Corporation
David B. Ammerman

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on September 16, 1993, Claimants Roy E. and Stella F. Tower, who appeared Pro Se, alleged that Respondent Olde Discount Corporation, through its representative, David B. Ammerman, failed to follow their instructions to redeem 2,000 warrants of Omega Environmental, Inc., when the warrants were called. The Claimants further alleged that the intent to redeem the warrants was made clear when they deposited eight thousand dollars into their account to cover the cost of the redemption, and that due to the fact that the account was not handled in a diligent manner, the deadline for the redemption was missed and therefore, the Respondents should be held liable for the losses incurred. Claimants state they advised Respondents they would be out of town for a while and expressed an interest to deal with the Olde Discount Corporation office at their destination, and assert that they were advised that as the account was established in the Jacksonville office they should continue to do business through Jacksonville.

Respondents Olde Discount Corporation and David B. Ammerman, through in-house counsel, Karen L. Brink, Esq., Detroit, MI, maintained that the Claimants are attempting to blame the losses they incurred because of their own inaction on the broker and firm by claiming there was a duty to notify them of the last date on which the warrants could be exercised, and that Respondents failed to do so. The Respondents contended that timely notice of the expiration date of the warrants was sent to the Claimants' home address, but Claimants were out of town and failed to open their mail for the entire month prior to the expiration date. Respondents Olde Discount Corporation and David B. Ammerman further contended that they fulfilled any and all duties owed to the Claimants, that the Claimants were specifically warned that information on these warrants was extremely limited, and that the Claimants insisted on holding onto the warrants until their expiration date, and therefore, the Respondents cannot be held liable.

RELIEF REQUESTED

Claimants Roy E. and Stella F. Tower requested \$4,329.25 in actual damages.

Respondents Olde Discount Corporation and David B. Ammerman requested that the claims of the Claimants be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Nalton Morrow Bennett, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on October 20, 1993, by the Respondent Olde Discount Corporation on December 13, 1993 and by Respondent David B. Ammerman on December 13, 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. Respondents Olde Discount Corporation and David B. Ammerman are jointly and severally liable and shall pay to the Claimants Roy E. and Stella F. Tower \$4,250.00 in actual damages.
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 Claimants shall be retained by the NASD, Inc. Respondents Olde Discount Corporation and David B. Ammerman are jointly and severally liable and shall pay \$125.00 to the Claimants as reimbursement of the filing fee.

AFFIRMATION

I, NALTON MORROW BENNETT, ESQ., 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: July 25, 1994