

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Vadim Roytman and Irena Kodes

93-04829

Name of Respondents

Olde Discount Corp. and Gary Handzel

Representation of Parties

Claimants, Vadim Roytman and Irena Kodes ("claimants") were represented at the hearing by James C. Eccleston, Esq. of Uscian & Eccleston, Chicago, Illinois.

Respondents, Olde Discount Corp. and Gary Handzel ("respondents") were represented at the hearing by Karen Brink, Esq. of Olde Discount Corp., Detroit, Michigan.

Case Information

The Statement of Claim was filed on November 19, 1993. Claimants' submission agreement was signed on or about November 19, 1993.

The joint Statement of Answer was filed on March 22, 1994. Respondent's submission agreements were signed on or about March 22, 1994.

Hearing Information

The hearing was held in Chicago, Illinois on November 17, 1994, for two (2) sessions and on January 9, 1995, for three (3) sessions, for a total of five (5) sessions.

Case Summary

The claimants alleged in their statement of claim that respondents engaged in misrepresentations, omissions and failure to supervise, recommended and purchased unsuitable investments, engaged in unauthorized trading, and were negligent.

Respondents stated in their joint statement of answer that claimants chose to engage in speculative trading. Respondents further stated that Roytman made all of his own investment decisions and authorized each and every trade executed in his account.

Relief Requested

Claimants requested compensatory damages totalling \$22,954.00, plus prejudgment interest at 10%, attorney's fees, and punitive damages in an amount no less than the total sum of the compensatory award and interest.

Respondents requested that they be found not liable and that they be awarded their costs.

Other Issues Considered and Decided

The parties present at the hearing have agreed that the Award in this matter may be executed by counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original remains on file with the NASD.

Award

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

1. Respondents Olde Discount and Gary Handzel shall be and hereby are jointly and severally liable for, and shall pay to the Claimants as follows:
 - a. compensatory damages in the amount of Three Thousand, Six Hundred Twelve Dollars and Fifty Seven Cents (\$3,612.57);
 - b. interest at the rate of ten percent (10%) on the sum stated above in sub-paragraph a. to begin accruing on November 19, 1993, until the date the award is paid;
2. Claimants' request for punitive damages is denied;
3. Claimants' request for attorney's fees is denied;
4. Each of the parties shall bear its own costs and expenses other than those specifically enumerated herein.

Forum Fees

Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the following forum fees are assessed:

five hearing sessions X \$400 = \$2000 minus \$400 deposit = net \$1600 due to the NASD.

Pursuant to Section 43(c) of the Code of Arbitration, the NASD shall retain the nonrefundable filing fee in the amount of \$120, and shall retain the hearing session deposit in the amount of \$400 previously paid to the NASD by the Claimants.

The additional forum fees in the amount of \$1600 are jointly and severally assessed against Respondents. The panel has also ordered that respondents, jointly and severally, reimburse claimants the sum of \$520 which was the amount previously deposited by the claimants with the NASD.

The additional forum fees assessed by the panel are payable to the National Association of Securities Dealers, Inc.

By The Arbitration Panel:

Dated:

4/20/95

s/s Steven F. Pflaum
Steven F. Pflaum, Esq.
Presiding, Public Arbitrator

4/20/95

s/s Thomas J. McNulty
Thomas J. McNulty, Esq.
Public Arbitrator

4/19/95

s/s Steve Wine
Steve Wine, Esq.
Industry Arbitrator

Date Award Served By The NASD: 4/27/95