

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Frederick W. Wall

93-05067

Name of Respondents

Thomas F. White & Co., Inc.  
Lombard Institutional Brokerage  
White Discount Securities  
Thomas F. White  
Robert Angle  
Linda Wong  
Anne Huang  
Yvette DeLozada

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 8, 1993, Claimant Frederick W. Wall, who appeared Pro Se, alleged that Respondents Thomas F. White & Co., Inc., Lombard Institutional Brokerage, White Discount Securities, Thomas F. White, Robert Angle, Linda Wong, Anne Huang and Yvette DeLozada were working together in a collusive manner where wide scale theft and fraud are standard operating procedure. The Claimant contended that in May 1992 a net amount of \$596.00 which was owed to him was misappropriated when Respondent Thomas F. White & Co., Inc. failed to abide by its verbal agreement to him regarding commissions for specific transactions, which were initially introduced and then authorized by Respondent Thomas F. White, and that it was later deemed that the agreement was unenforceable according to the Respondent's Standard Contractors Agreement. Claimant Frederick W. Wall also contended that Respondent Robert Angle made representations to him that the firm would defer charge backs for employees or affiliates of his office, but that in the July 1993 commission check he received, part of his pay was wrongfully converted without explanation, and further that although the Respondent consented to owing him the \$596.00 discussed previously, the check was sent with "advance" typed into the memo section, which Respondent Thomas F. White & Co., Inc. used as a ruse to again wrongfully convert monies owed to him. The Claimant further alleged that the Respondents used computer fraud techniques to wrongfully convert one percent of the aggregate trade amount from the net

commissions payable to contractors, and as more time passed the degree of theft increased substantially. The Claimant also asserted that the commission theft continued and went on to provide a chronology of incidents in which he alleged he did not receive net commissions earned and due to him. Claimant Frederick W. Wall further contended that due to the wrongdoing of the Respondents, he has suffered damages which consist of unpaid commissions, for which the Respondents should be held liable.

Respondents Thomas F. White & Co., Inc., Lombard Institutional Brokerage, White Discount Securities, Thomas F. White, Robert Angle, Linda Wong, Anne Huang and Yvette DeLozada, in a Joint Statement of Answer, through their counsel, Patrick Baldwin, Esq., Menlo Park, CA, maintained that they deny each and every allegation set forth by the Claimant, and that any losses sustained by the Claimant were due to his own conduct or negligence, or the conduct or negligence of a third party. The Respondents also maintained that they acted in good faith toward the Claimant and did not at any time, directly or indirectly, induce any acts constituting a cause of action.

In a reply to the Answer, Claimant Frederick W. Wall stated he reviewed the Answer and since no Counterclaim was filed by the Respondents, no further documentation was necessary.

The Respondents, through their counsel, filed a Motion to Dismiss in which they contended that the Claimant is seeking commissions that are not owed to him, as Claimant began using alternative commission schedules, with no knowledge or approval from any Respondent, and further that the Claimant is complaining about standard fees and assessments which must be paid by all registered representatives pursuant to the firm's policies. The Respondents contended that they have committed no wrongdoing, and that the claims against them should be dismissed.

In a reply to the Motion to Dismiss, Claimant Frederick W. Wall refuted the defenses of the Respondents and replied, by paragraph, to the contentions of the Respondents and asserted that the body of the Motion to Dismiss is a restatement of always unproven, unverified and incorrect facts. The Claimant further stated that this is an "illegal motion" and is a ragged disguise to display responses and counterclaims, and further reiterated that he is entitled to recover the monies due to him, which the Respondents have withheld.

### **RELIEF REQUESTED**

Claimant Frederick W. Wall requested \$7,496.54 in actual damages.

Respondents Thomas F. White & Co., Inc., Lombard Institutional Brokerage, White Discount Securities, Thomas F. White, Robert Angle, Linda Wong, Anne Huang and Yvette DeLozada requested that the claims of the Claimant be dismissed, and that they be awarded their costs and attorney's fees.

**OTHER ISSUES CONSIDERED & DECIDED**

Pursuant to the By-Laws of the NASD, Inc., the Arbitrator determined that Respondent White Discount Securities, Inc. did voluntarily submit to this proceeding in the Joint Statement of Answer filed on its behalf.

**AWARD**

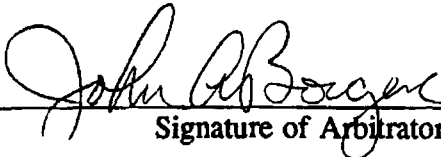
Pursuant to Section 10 of the NASD, Inc. Code of Arbitration Procedure, a single Industry Arbitrator, John A. Borgese, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on November 29, 1993, but not signed by the Respondents as required by Sections 8 & 10 of the NASD Code of Arbitration Procedure.

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 claims of the Claimant Frederick W. Wall against Respondents Thomas F. White & Co., Inc., Lombard Institutional Brokerage, White Discount Securities, Thomas F. White, Robert Angle, Linda Wong, Anne Huang and Yvette DeLozada are dismissed in their entirety.
2. The parties shall bear their respective costs and attorney's fees.
3. The \$575.00 filing fee was previously waived by the National Association of Securities Dealers, Inc.

**AFFIRMATION**

I, JOHN A. BORGESSE, 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.

  
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Signature of Arbitrator

DATE OF DECISION:

October 19, 1994

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STATE OF: NEW JERSEY

SS:

COUNTY OF: HUDSON

On this 3<sup>rd</sup> day of October 19 94, before me personally appeared **JOHN A. BORGESE, ESQ.** to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.



**MAUREEN VOLLERS**  
Notary Public, State of New Jersey  
No. 2100308  
Qualified in Hudson County  
Commission Expires May 13, 19 97