

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Stephen E. & Terri J. Gurley

95-00223

Name of Respondent(s)

Olde Discount Corporation

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 16, 1995, Claimants, Stephen E. and Terri J. Gurley, who appeared Pro se, alleged that Respondent Olde Discount Corporation failed to follow their investment guidelines in recommending stocks for their account. Claimants further alleged that they opened an account with Respondent on April 13, 1993. Claimants contended that they informed Respondent that they were very conservative investors with a limited interest in growth stocks. Claimants further contended that the majority of stocks that Olde Discount Corporation recommended, including SLM International ("SLM") Artisoft and Designs, Inc. were very speculative growth stocks. Claimants alleged that the majority of the stocks recommended rapidly declined in value. Claimants further alleged that once they owned these stocks, Respondent failed to give them any further guidance. As a result of the above, Claimants alleged that they have suffered a loss for which Respondent should be liable.

Respondent, Olde Discount Corporation, through its representative and in-house counsel, Timothy L. Isom, Esq., maintained that Claimants are experienced investors, who believed they could make money by purchasing moderate to aggressive growth-oriented stocks and then "average down" by purchasing more of those aggressive investments at a depressed price. Respondent further maintained that claimants were provided with all available research information and reports for every solicited stock that they purchased, including SLM, Artisoft and Designs Inc. Respondent contended that at all times the decision to buy, sell, or hold securities in their account remained with the Claimants, and accordingly, Respondent should not be held liable.

RELIEF REQUESTED

Claimants, Stephen E. and Terri J. Gurley, requested \$9,108.50 in actual damages.

Respondent, Olde Discount Corporation, requested that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Publish Arbitrator P. Michael Armstrong, Esq. was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on January 10, 1995 and by the Respondent on March 1, 1995 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 Claimants, Stephen E. and Terri J. Gurley, against the Respondent, Olde Discount Corporation are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Stephen E. and Terri J. Gurley shall be retained by the NASD, Inc.

Affirmation

STATE OF TEXAS

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COUNTY OF DALLAS

I. P. Michael Armstrong, do hereby affirm upon my oath
as arbitrator that I am the individual described in and who executed this instrument,
which is my oath and award.

P. Michael Armstrong
Signature of Arbitrator

DATE OF DECISION: August 31, 1995