

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

James W. Sulek
Mildred Cole Sulek

NASD Arbitration
No. 95-00660

Name of Respondent(s)

Olde Discount Corporation

REPRESENTATION

For Claimants: James W. Sulek, Seattle, Washington

For Respondent: Lisa S. Fildes, Esq., Olde Discount Corporation,
Detroit, Michigan

CASE INFORMATION

Statement of Claim filed: February 7, 1995

Amended Statement of Claim filed: April 11, 1995

Claimants' Submission Agreements signed: February 6, 1995 and
April 11, 1995

Statement of Answer filed by Respondent: May 22, 1995

Respondent's Submission Agreement signed: May 1, 1995

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s): None

Hearing Date(s)/Session(s): February 12, 1996 (two sessions)

Hearing Location:

Seattle, Washington

CASE SUMMARY

Claimant James W. Sulek alleged that he is an inexperienced low income, older person who lost a substantial part of his monthly and annual income as derived from either certificates of deposit or from money market interest because of the very poor judgment exercised by Respondent's agent, Koji Kastner, in the handling of Claimants' account. Claimants further alleged unsuitability regarding the investments purchased in their account; that Mr. Kastner sold Claimants volatile securities in an excessive amount; and that Mr. Kastner failed to explain the risks associated with Claimants' investments.

Respondent Olde Discount Corporation (Olde) denied any liability to Claimants and alleged that this Arbitration involves investors who entered the market seeking short-term gains by investing in small capitalization stocks. Olde further alleged that Claimants attempt to portray themselves as inexperienced reluctant investors pressured into purchasing undesirable stocks and alleged that throughout the Statement of Claim, Claimants admit detailed stock discussions with the broker, their decision not to purchase certain stocks recommended by the broker and familiarity with the market in general. Olde further alleged that Claimants seek damages well in excess of the loss suffered when one of the purchased stocks declined in value and that the other stock purchases resulted in profits. Olde further alleged that the recommendations made were consistent with Mr. Sulek's stated objectives and Mr. Sulek actively participated in selecting stocks for purchase into Claimants' account; and that Olde and its broker fulfilled all duties owed to Claimants in this matter.

RELIEF REQUESTED

Claimants requested compensatory damages, punitive damages, interest and costs totalling \$237,355.00.

Respondent requested dismissal of Claimants' claims and requested costs and attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On or about April 11, 1995, Claimants dismissed Koji Kastner as a party in this matter.

The parties have agreed that the Award in this matter may be executed in either 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 originals remain on file with the National Association of Securities Dealers, Inc. (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. Respondent Olde Discount Corporation is liable for and shall pay to Claimants the sum of \$6,195.00, in satisfaction of Claimants' claims.

2. Respondent Olde Discount Corporation is liable for and shall pay to Claimants the sum of \$200.00 as reimbursement of Claimants' filing fee.

3. Claimants' claim for punitive damages is denied.

4. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall refund the \$750.00 hearing session deposit previously deposited by the Claimants. Forum fees are assessed against Respondent in the amount of \$1,500.00, calculated as follows: Two hearing sessions times \$750.00/session.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATORS

Name Public / Industry

Robert M. Stein, Esq.

Public Arbitrator

Michael J. Busch

Public Arbitrator

Thomas L. Reveley

Industry Arbitrator

Concurring Arbitrators' Signatures



Robert M. Stein, Esq.

Date Served: April 4, 1996

Michael J. Busch

Thomas L. Reveley

Date of Decision: 3-22-96

ARBITRATORS

Name Michael J. Busch Public / Industry

Robert M. Stein, Esq.

Public Arbitrator

Michael J. Busch

Public Arbitrator

Thomas L. Reveley

Industry Arbitrator

Concurring Arbitrators' Signatures

Robert M. Stein, Esq.

M. J. Busch

Michael J. Busch

Thomas L. Reveley

Date of Decision: 3/20/96

Date Served: April 4, 1996

ARBITRATORS

Name Public / Industry

Robert M. Stein, Esq.

Public Arbitrator

Michael J. Busch

Public Arbitrator

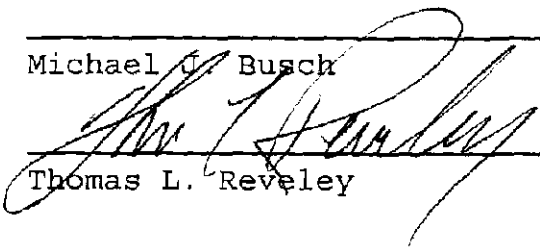
Thomas L. Reveley

Industry Arbitrator

Concurring Arbitrators' Signatures

Robert M. Stein, Esq.

Michael J. Busch



Thomas L. Reveley

Date of Decision: _____

Date Served: April 4, 1996