

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Thomas A. Bennett and Carole L. Bennett

95-00696

Name of Respondent

Olde Discount Corporation

REPRESENTATION

Claimants Thomas A. Bennett and Carole L. Bennett ("Claimants") were represented by Kevin B. Steinberg, Esq., Starker & Steinberg, Philadelphia, PA.

Respondent Olde Discount Corporation ("Respondent") was represented by Amy Kutt Richards, Esq., Olde Discount Corporation, Detroit, MI.

CASE INFORMATION

The Statement of Claim was filed February 10, 1995.

Claimants' Uniform Submission Agreement was signed February 3, 1995.

Respondent's Statement of Answer was filed May 19, 1995.

Respondent's Uniform Submission Agreement was signed April 18, 1995.

HEARING INFORMATION

Hearing Date/Sessions: June 18, 1996/one session

Hearing Location: Doubletree Hotel
Philadelphia, PA

CASE SUMMARY

Claimants alleged, among other things, that Respondent made unauthorized purchases in Claimants' account as well as transferred Claimants' account from a cash account to a margin account. Claimants alleged that Respondent contacted Claimants on February 15, 1994 and recommended the purchase of Pyramid Tech Corp. ("Pyramid") common stock. Claimants alleged that because Claimants were conservative investors, Claimants requested a prospectus for Pyramid before making a decision as to the purchase. Claimants alleged that at no time was the authorization given to purchase Pyramid stock. Claimants alleged that on February 18, 1994 Claimants received an invoice from Respondent in the amount of \$1,466.75 representing the purchase of 100 shares of Pyramid common stock. Claimants

alleged that Claimant Thomas Bennett ("Mr. Bennett") visited Respondent's office in Jenkintown, Pennsylvania to protest the unauthorized purchase of Pyramid and followed the visit with correspondence objecting to the transaction. Claimants alleged that Claimants learned that Respondents had changed the account in question from a cash account to a margin account without Claimants' knowledge or consent. Claimants alleged that Respondent's actions have damaged Claimants and that Claimants must be held accountable for their actions.

Respondent denied allegations of wrong-doing. Respondent maintained that Claimants represented themselves as conservative to moderate investors who were interested in both growth and income. Respondent maintained that at the time Claimants opened their account with Respondent, the account was approved for both margin and cash trading. Respondent maintained that when a broker at Respondent's firm contacted Claimants about Pyramid, Claimants placed a market order to purchase 100 shares which was executed at a price of \$14 1/4 per share. Respondent maintained that during the conversation, the buy order was read back to Mr. Bennett on the telephone and Mr. Bennett approved and confirmed the order. Respondent maintained that a trade confirmation was sent to Claimants immediately following the trade date of February 8, 1994. Respondent maintained that when Claimants had not paid for the transaction by the settlement date of February 15, 1994, Respondent journaled this stock to margin as agreed to in Claimants' account agreement with Respondent. Respondent maintained that it was two months after the transaction that Mr. Bennett came to the Respondent's office and complained that he did not want the Pyramid stock. Respondent maintained that during the two months from the time of purchase until the time Mr. Bennett first complained, the Pyramid fell to between \$7 and \$8 per share. Respondent maintained that Claimants never informed Respondent about the transaction being unauthorized until two months after the purchase of Pyramid and then only after the value decreased. Therefore, Respondent maintained that any loss suffered by Claimants was the result of Claimants' own decisions and actions as well as market fluctuations.

RELIEF REQUESTED

Claimants requested relief in the form of damages; interest; punitive or treble damages; and the costs of this arbitration including attorney's fees.

Respondents requested that the Statement of Claim be dismissed in its entirety and that Claimants be assessed the reasonable costs and fees associated with this arbitration.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that a handwritten, signed Award may be entered. In this case, the parties have agreed to receive a conformed copy 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 arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. That the Statement of Claim is denied in its entirety.
2. That the claim for punitive or treble damages is denied.
3. That each party shall bear its own costs and expenses including attorney's fees.
4. That any relief not specifically addressed herein is denied.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fee(s) are assessed.

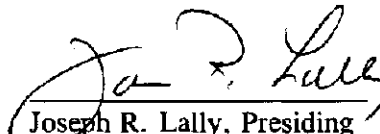
1 session X \$200 = \$200.00

Forum Fees assessed in equal parts against Claimants and Respondent. Claimants are to receive credit for the \$200.00 hearing session deposit previously submitted to the NASD. Therefore, Respondent is liable to and shall reimburse Claimants for \$100.00 as one-half of the Forum Fees.

DATE

ARBITRATOR'S SIGNATURE

7/17/96


Joseph R. Lally, Presiding
Public Arbitrator

— Date Decision Served by NASD: July 22, 1996