

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Charles P. Wenzel

95-00816

Name of Respondents

Schneider Securities, Inc.
Daniel R. Lehl

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 16, 1995, Claimant Charles P. Wenzel, who appeared Pro Se, alleged that Respondents Schneider Securities, Inc. ("SSI") and Daniel R. Lehl ("Lehl"), misrepresented the WW Capital Corp. ("WWC") stock to him. Claimant further alleged that on October 29, 1992, he was contacted by Lehl, an agent of SSI, and an investment in WWC was solicited. Claimant contended that Lehl represented that WWC stock was about to be listed on the NASDAQ exchange and all that remained to be done was for the stock price of WWC to remain at or above its then current \$3.00 price. Claimant further contended that Lehl informed him that WWC was supporting its stock price at \$3.00 for this time period to ensure that this final requirement was met. Claimant alleged that based upon Lehl's assurances he purchased 500 shares of WWC. Claimant further alleged that WWC steeply declined in value, eventually becoming a tax write-off, and causing a loss for which, Respondents should be liable.

Respondent Schneider Securities, Inc., through its representative and Compliance Officer, Rick J. Rouse, maintained that Claimant knew, or should have known, the speculative nature of the security he purchased through SSI. Respondent further maintained that WWC had in fact applied for inclusion for trading in the NASDAQ system. Respondent contended that due to the speculative nature of this security, of which Claimant was well aware, there is no question of the suitability of the transaction for him. Respondent further contended that Claimant was cognizant of the fact that any reference to the stock's potential inclusion in the NASDAQ system could not guarantee the future performance of the stock. Respondent maintained that Claimant had the opportunity to sell his shares and failed to do so, thereby failing to mitigate his loss, and therefore, Respondent should not be held liable.

Respondent Daniel R. Lehl, did not file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant Charles P. Wenzel, requested \$1,583.00 in actual damages, plus interest and costs.

Respondent Schneider Securities, Inc., requested that the claims of the Claimant be dismissed.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure, the Respondent Daniel R. Lehl, was served by regular mail and given an opportunity to respond, which he failed to do. In addition, an overdue answer notice was sent to the Respondent by certified mail and was received as evidenced by the signed return card on file at the NASD.

Pursuant to the By-laws of the NASD, the Arbitrator determined that Respondent Daniel R. Lehl, has notice of the claim, and was required to submit to this arbitration proceeding; and is, therefore, bound by the arbitrator's ruling and determination.

AWARD

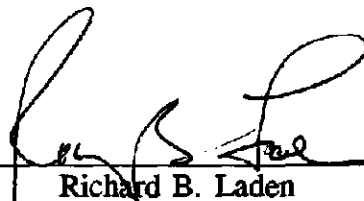
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Richard B. Laden, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 13, 1995 and by the Respondent Schneider Securities, Inc. on April 10, 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 Respondents Schneider Securities, Inc. and Daniel R. Lehl, are jointly and severally liable and shall pay to the Claimant Charles P. Wenzel, \$1,393.75 in actual damages.
2. The Respondents Schneider Securities, Inc. and Daniel R. Lehl, are jointly and severally liable and shall pay to the Claimant Charles P. Wenzel, interest at the rate of 4% per annum, from January 1, 1994 until the date of payment of the Award.
3. The parties shall bear their respective costs.
4. All other relief requests are denied.
5. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Charles P. Wenzel, shall be retained by the NASD, Inc. Respondents Schneider Securities, Inc. and Daniel R. Lehl are jointly and severally liable and shall pay to the Claimant Charles P. Wenzel, \$50.00 as reimbursement of the filing fee.

AFFIRMATION

I, **RICHARD B. LADEN**, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my award.



Richard B. Laden

DATE OF DECISION: August 21, 1995