

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Michael J. Sims

95-01726

Name of Respondent

Olde Discount Corporation

REPRESENTATION

Claimant Michael J. Sims ("Claimant") appeared at the hearing pro se.

Respondent Olde Discount Corporation ("Respondent") was represented at the hearing by David T. Doyle of Olde Discount Corporation, Detroit, MI.

CASE INFORMATION

The Statement of Claim was filed on April 6, 1995.

Claimant's Submission Agreement was signed on April 3, 1995.

The Statement of Answer was filed on June 22, 1995.

Respondent's Submission Agreement was signed on April 26, 1995.

HEARING INFORMATION

Hearing Date/Sessions: April 19, 1996 - two sessions

Hearing Location: Omni Richmond Hotel
Richmond, VA

CASE SUMMARY

Claimant's complaint was in regard to the purchase of five stocks: IMMUNCOR Inc., SLM International, ECI Telecom LTD., AMTECH Corp., and ARTISOFT Inc. between January 1991 and November 1994. Claimant alleged, among other things, that the Respondent recklessly solicited and recommended the purchase of those stocks without providing adequate financial records and information to make an informed decision. Claimant alleged that Respondent failed to update his financial status periodically over the three year period. Claimant also alleged that he was improperly given margin account status, which

exponentially magnified the amount of losses suffered by him. Claimant alleged that he received a minimum of twenty margin calls which Respondent should have advised him was an indicator of trouble in his account.

Claimant alleged that he sought to reduce his losses as soon as possible, that his sell orders were unsolicited, and that Respondent at no time recommended that he sell the stocks in question. Claimant alleged that instead Respondent suggested that Claimant send in additional funds.

Respondent categorically denied all allegations of wrongdoing asserted by Claimant. Respondent alleged that the decisions regarding the stocks to be invested in, whether, when, and how much money were to be invested were those of the Claimant alone. Respondent alleged that any losses incurred by Claimant resulted solely from his own informed investment decisions and operative market forces. Respondent alleged that Claimant is a wealthy, knowledgeable and experienced investor who understood the risks associated with his trading strategy. Respondent alleged that Claimant represented to Respondent that he was an aggressive investor, interested in speculation and had additional investment experience through a brokerage account at another firm. Respondent alleged that the purchases in question were entirely suitable for a person of Claimant's wealth and sophistication as an investor. Respondent also alleged that the risk of investing on margin was fully explained to Claimant and that he is knowledgeable about margin and its risks.

Respondent alleged that Claimant's failure to complain about any of the trades executed on his behalf demonstrates that he was satisfied with the aggressive trading strategy. Respondent alleged that Claimant is simply attempting to recoup from Respondent losses that resulted solely from Claimant's own informed investment decisions.

RELIEF REQUESTED

Claimant requested damages \$57,816.25, representing losses in the five stocks complained of.

Respondent denied that it was responsible for any of the losses suffered by the Claimant.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in 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 original remain on file with the 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. Claimant's claim is denied in its entirety.

2. Each party shall bear their own costs and expenses except as specifically provided for herein.
3. Any relief not specifically provided for herein is denied.

FORUM FEES

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

2 sessions X \$500 = \$1,000 minus hearing session deposit of \$500 = net \$500 due.

Forum Fees are assessed in equal amounts between Claimant and Respondent. Claimant is to receive credit for the \$500.00 hearing session deposit previously submitted to the NASD so that no additional forum fees are due from Claimant. Respondent is assessed forum fees in the amount of \$500.

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

DATE

6/21/96

CONCURRING ARBITRATORS' SIGNATURES

Stuart H. Dunn
Stuart H. Dunn, Chairperson
Public Arbitrator

John M. Mathews - Panelist
Industry Arbitrator

Edward A. Dragon - Panelist
Public Arbitrator

Date Decision Served by NASD:

JUNE 25, 1996

2. Each party shall bear their own costs and expenses except as specifically provided for herein.
3. Any relief not specifically provided for herein is denied.

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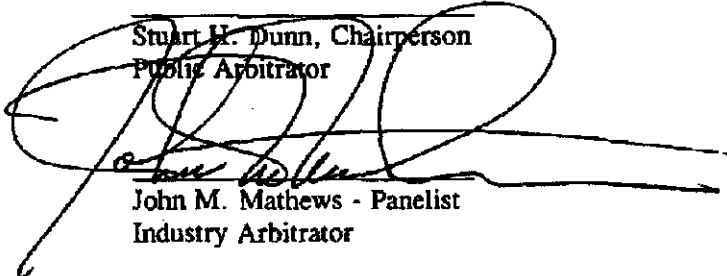
Fees are payable to the National Association of Securities Dealers, Inc.

DATE

CONCURRING ARBITRATORS' SIGNATURES

6/23/96

Stuart H. Dunn, Chairperson
Public Arbitrator



John M. Mathews - Panelist
Industry Arbitrator

Edward A. Dragon - Panelist
Public Arbitrator

Date Decision Served by NASD:

June 25, 1996

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CONCURRING ARBITRATORS' SIGNATURES

Stuart H. Dunn, Chairperson
Public Arbitrator

John M. Mathews - Panelist
Industry Arbitrator

June 22, 1996

Edward A. Dragon
Edward A. Dragon - Panelist
Public Arbitrator

Date Decision Served by NASD:

June 25, 1996