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N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Elaine T. Kolodny

95-03357

Name of Respondents

Olde Discount Corporation  
Kimble Pierce Hardman

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 13, 1995, Claimant Elaine T. Kolodny ("Claimant"), who appeared Pro Se, alleged that Respondents Olde Discount Corporation ("Olde") and Kimble Pierce Hardman ("Hardman"), in August of 1993, purchased G. T. Global Telecommunications Fund ("GTC") for her on margin without authorization. Claimant further alleged that she never opened a margin account at all with Olde. Claimant contended that a manager at Olde had sent her forms to sign in 1992, and misled her to assume she was just repeating the same information as on the original forms. Claimant further contended that these forms resulted in a change in the terms of her account and gave Olde margin authority to which she hadn't agreed. Claimant alleged that Hardman never told her that any of the terms of her account were changed as a result of signing the forms, and that there was no cover letter to explain the forms. Claimant contended that as a result of the above, she has suffered a loss for which the Respondents should be held liable.

Respondents Olde Discount Corporation and Kimble Pierce Hardman, through their representative and in-house counsel, Lisa S. Fildes, Esq., maintained that Claimant signed an application on February 4, 1992, establishing her account as a "Cash and Margin Brokerage Account," and also established an IRA on July 31, 1993. Respondents maintained that Claimant discussed all of her investment options with Hardman, and chose to purchase two stock positions and two mutual funds, including GTC. Respondents further maintained that Hardman read back the orders to the Claimant, and later sent her confirmations. Respondents contended that on settlement day, August 9, 1992, payment was due, and Claimant promptly sent payment on all but the GTC in her brokerage account. Respondents further contended that when payment was not received, the stock positions were margined, and interest on the debt began to accrue. Respondents maintained that Claimant was required by contract to notify them of any objections to statements received and that failure to object is deemed a waiver. Respondents maintained that as a result of the above, they should not be held liable.

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**RELIEF REQUESTED**

Claimant Elaine T. Kolodny, requested \$150.00 in actual damages, plus costs, fees, and expenses, totaling \$2,245.00.

Respondents Olde Discount Corporation and Kimble Pierce Hardman, requested that the claims of the Claimant Elaine T. Kolodny be dismissed.

**AWARD**

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Jeffrey L. Squires, Esq. was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Elaine T. Kolodny, on July 8, 1995, and by the Respondent Kimble Pierce Hardman, on August 5, 1995, and by the Respondent Olde Discount Corporation, on August 16, 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 Claimant Elaine T. Kolodny, against Respondents Olde Discount Corporation and Kimble Pierce Hardman, are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Elaine T. Kolodny, shall be retained by the NASD, Inc.

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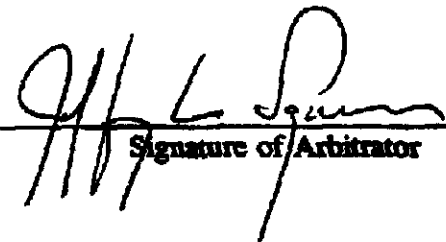
**AFFIRMATION**

STATE OF VIRGINIA

} ss:  
}

CITY  
~~WASHINGTON~~ OF ALEXANDRIA

I, JEFFREY L. SQUIRES, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

  
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Signature of Arbitrator

DATE OF DECISION: December 11, 1995

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