

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Katherine Artemis Petso

95-03676

Name of Respondent

Olde Discount Corporation

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**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on July 31, 1995, Claimant Katherine Artemis Petso ("Claimant"), who appeared Pro Se, alleged that Respondent Olde Discount Corp. ("ODC"), on March 31, 1994, sold her 147 shares at SLM International, a high risk investment which was unsuitable for her advanced age and conservative investment orientation. Claimant further alleged that Respondent misrepresented both the high risk nature of the proposed security, and the fact that Respondent is a market maker for this security with attendant ulterior motives for promoting this security. Claimant contended that as a result of the above, she has suffered a loss for which the Respondent should be held liable.

Respondent Olde Discount Corp., through its representative and in-house counsel, Timothy L. Isom, Esq., maintained that Claimant was given full and fair disclosure of all relevant risks involved with the purchase of SLM shares, as evidenced by the fact that Claimant received and reviewed ODC Research Report on SLM. Respondent further maintained that the mere fact of making a market in a given stock does not produce pressure to overpromote such stock, as evidenced by fact that ODC makes market in hundreds of other stocks not sold to Claimant. Respondent contended that as a growth stock, the SLM purchase was suitable for Claimant based on the financial history and investment objectives of growth stock/high returns indicated in her Account Application. Respondent further contended that based on the legal theories of waiver, estoppel and ratification, Claimant acted in a manner that precludes current claims. Respondent maintained that as a result of the above, it should not be held liable.

**RELIEF REQUESTED**

Claimant Artemis Petso, requested \$2,000.00 in actual damages, plus interest.

Respondent Olde Discount Corp., requested that the claims of the Claimant be dismissed in its entirety.

**AWARD**

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Michael P. Bishop, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Katherine Artemis Petso, on July 24, 1995, and by the Respondent Olde Discount Corp., on September 15, 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 Katherine Artemis Petso, against Respondent Olde Discount Corp., are denied 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 Katherine Artemis Petso, shall be retained by the NASD, Inc.
4. All other relief requests are denied.

**AFFIRMATION**

I, **MICHAEL P. BISHOP, ESQ.**, 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: January 16, 1996