

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Allen J. Nogee

95-03997

Name of Respondents

Olde Discount Corporation
Sean R. Waltz

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 21, 1995 Claimant Allen J. Nogee ("Claimant"), who appeared Pro Se, alleged that it held account # 023-14636 with Respondent Olde Discount Corporation ("ODC"), and his account representative Respondent Sean R. Waltz ("Waltz"), recommended that he invest in CMO bonds and he followed that advice to his detriment. Claimant further alleged that he instructed Waltz to purchase (1) six month bond, (1) one year bond and (1) two year bond totalling \$20,000.00. Claimant contended that upon receiving his statements he noted there was no mention of the securities being "CMOs or having the short maturities that Waltz had stated". Claimant further contended that he called Waltz "to shed some light on these issues" and that he confirmed that the securities were as previously stated and identified each. Claimant alleged that after receiving his monthly statement dated 2-25-94, it appeared that the bonds were not behaving as expected and contacted Waltz who then checked with a "bond expert" who said everything was fine. Claimant further alleged that as a result of the above, he has suffered a loss for which the Respondents should be held liable.

Respondent Olde Discount Corporation and Respondent Sean Waltz ("Respondents"), through their representative and in-house counsel, David T. Doyle, maintained that Waltz did recommend and fully explained the CMOs to Claimant and that he understood as is demonstrated through the Statement of Claim. Respondents further maintained that Waltz informed Claimant that the bonds were "interest rate sensitive and that their market value will fluctuate with interest rates." Respondents contended that Claimant was told and understood that the bonds had an estimated average life of six months to two years and that an increase in interest rates would lengthen the maturity date of the CMO's. Claimant's losses "are smaller than he claims and that the losses result solely from his own investment decisions." Respondents further contended that as a result of the above, they should not be held liable.

RELIEF REQUESTED

Claimant Allen J. Nogee, requested \$2,979.98 in actual damages.

Respondents Olde Discount Corporation and Sean Waltz, requested that the claims of the Claimant be dismissed.

AWARD

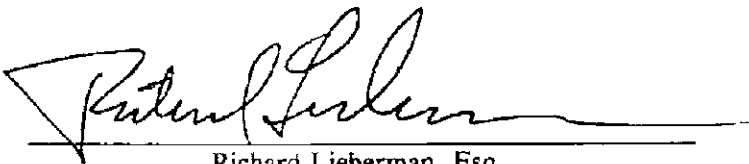
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Richard Lieberman, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Allen J. Noguee, on July 26, 1995 and by the Respondent Olde Discount Corporation on September 28, 1995 and by Respondent Sean Waltz October 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 Allen J. Noguee against Respondents Olde Discount Corporation and Respondent Sean Waltz are denied in their entirety.
2. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Allen J. Noguee, shall be retained by the NASD, Inc.
3. All other relief requests are denied.

AFFIRMATION

I, **RICHARD LIEBERMAN, 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.


Richard Lieberman, Esq.

DATE OF DECISION: February 28, 1996