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N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Robert J. Anna N. Severson

95-04983

Name of Respondent

*Olde Discount Corporation

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Securities Dealers, Inc.

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 20, 1995, Claimants Robert J. and Anna N. Severson, who appeared Pro Se, alleged that Respondent Olde Discount Corporation, through one of its registered representatives, strongly and inappropriately pressured them to buy Perrigo Stock on margin, even though the Respondent was aware of their financial condition. The Claimants contended that Respondent failed to caution them of the risks and expenses of margin purchases and that their interest rate would increase. The Claimants contended that due to the wrongdoing of the Respondent, they suffered damages for which the Respondent should be held liable.

Respondent Olde discount Corporation, through its in-house counsel, Lisa S. Fildes, Esq., maintained that the recommendation to purchase Perrigo was commensurate with the written information provided by Claimants on their account application. The Respondent also maintained that the Claimants were familiar with the stock and chose the number of shares to purchase, and that Claimants chose to purchase the stock on margin and were informed of the risks. Respondent contended that it fulfilled its duties to the Claimants, and cannot be held responsible for market volatility; therefore the claims against them should be dismissed.

In a reply to the Answer, the Claimants asserted that the Respondent had a fiduciary relationship with them and had an obligation to inform them of the risks involved in any securities purchases. The Claimants reiterated they are entitled to recover their damages due to the wrongdoing of the Respondent.

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RELIEF REQUESTED

Claimants Robert J. and Anna N. Severson, requested \$7,300.00 in actual damages, plus attorneys' fees.

Respondent Olde Discount Corporation, requested that the claims of the Claimants be dismissed.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Robert J. Scafuri, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants Robert J. and Anna N. Severson, on October 16, 1995, and by the Respondent Olde Discount Corporation, on January 5, 1996.

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 Claimants Robert J. and Anna N. Severson, against the Respondent Olde Discount Corporation are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Robert J. and Anna N. Severson, shall be retained by the NASD, Inc.

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AFFIRMATION

STATE OF MICHIGAN

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SS:

COUNTY OF OAKLAND

I, Robert J. Scafuri, 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.

Robert J. Scafuri
Signature of Arbitrator

DATE OF DECISION: July 26, 1996