

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

First of Michigan Corporation

96-00459

Name of Respondent

Frederick N. Andreae, Jr.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealer, Inc. on January 31, 1996, Claimant First of Michigan Corporation ("Claimant"), through its representative, Karl N. Gellert, Esq., of the law firm of Miller, Canfield, Oaddock & Stone, located in Detroit, Michigan, alleged that Respondent Frederick N. Andreae, Jr. ("Respondent"), an ex-employee, failed to pay the balance of his promissory note. Claimant further alleged that Respondent executed the aforementioned promissory note on April 8, 1993, for \$13,448.00. Claimant also alleged that the note provided that if Respondent's employment terminated between April 8, 1995, and April 8, 1996, then 33 1/3% of the principle amount became due to it and that this note also contained an arbitration clause. Claimant asserted that Respondent terminated his employment on August 1, 1995 and thus, breached the agreement. Claimant further asserted that Respondent ignored two notices which demanded payment of \$4,482.67. Claimant contended that this arbitration proceeding was brought after the Respondent received a warning letter from them. Claimant further contended that according to the agreement, the Respondent is also liable for additional costs associated with instituting legal action against him. Claimant alleged that due to the wrongdoing of the Respondent, it suffered damages for which the Respondent should be held liable for.

Respondent Frederick N. Andreae, Jr., ("Respondent"), who appeared Pro Se, maintained that he received \$13,448.00 from the Claimant based on his previous year's gross commission. Respondent further maintained that at the time the note was executed, he agreed to stay with Claimant as its Port Huron office company manager. Respondent also maintained that in July, 1994 at the age of 64, Claimant's president replaced him with a younger individual. Respondent contended that subsequent to being replaced, his managers made him feel as if he was no longer needed. Respondent further contended that he accepted another job when he felt that the managers were going to fire him. Respondent also contended that he committed no wrongdoing and requested that the claims against him be dismissed.

RELIEF REQUESTED

Claimant First of Michigan Corporation requested \$4,482.67 in actual damages, interest, costs and reasonable attorney's fees.

Respondent Frederick N. Andreae, Jr. requested that the claims of the Claimant be dismissed.

AWARD

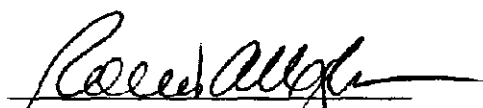
Pursuant to Section 10 of the NASD, Inc. Code of Arbitration Procedure, a single Industry Arbitrator, Robert A. Vogler was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant First of Michigan Corporation on January 30, 1996 and by the Respondent Frederick N. Andreae, Jr. on July 29, 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 Respondent Frederick N. Andreae, Jr. is liable and shall pay to the Claimant First of Michigan Corporation \$4,482.67 in actual damages.
2. Respondent Frederick N. Andreae, Jr., is liable and shall pay to the Claimant First of Michigan Corporation simple interest at the rate of 5 % per annum from August 1, 1995 to the date of payment of the award.
3. Respondent Frederick N. Andreae, Jr. is liable and shall pay to the Claimant First of Michigan \$250.00 for reasonable attorney's fees pursuant to paragraph (h) of the Promissory Note.
4. The parties shall bear their respective costs.
5. The \$575.00 filing fee previously deposited with the National Association of Securities Dealer, Inc. by the Claimant First of Michigan Corporation shall be retained by the NASD, Inc. Respondent Frederick N. Andreae, Jr. is liable and shall pay to the Claimant \$575.00 as reimbursement of the filing fee.
6. All other relief requests are denied.

AFFIRMATION

I, **ROBERT A. VOGLER**, 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 A. Vogler

Date of Decision: September 17, 1996