

AWARD

NASD Regulation, Inc. Office of Dispute Resolution

In the Matter of the Arbitration Between

Doren Elaine Steckler,

Claimant,

v.

Case Number 96-02202

Olde Discount Corporation,

Respondent.

REPRESENTATION OF PARTIES

Claimant Doren Elaine Steckler ("Claimant") was represented by Anthony V. Trogan, Esq. of Weisman, Trogan, Young & Schloss located in Bingham Farms, Michigan.

Respondent Olde Discount Corporation ("Respondent" or "Olde") was represented by Donald P. Wray, Jr., Esq. and Lisa S. Fildes, Esq. of Olde Discount Corporation located in Detroit, Michigan.

CASE INFORMATION

The Statement of Claim was filed on or about May 23, 1996.

Claimant's Submission Agreement was signed on May 18, 1996.

Respondent's Statement of Answer was filed on or about August 19, 1996.

Respondent's Submission Agreement was signed on July 12, 1996 by Thomas P. Fitzgerald, General Counsel of Olde Discount Corporation.

HEARING INFORMATION

The hearing was held on April 14, 1997 for two (2) sessions and May 6, 1997 for two (2) sessions. The hearing was held in Southfield, Michigan.

CASE SUMMARY

This action was brought in connection with a securities account maintained by Claimant with Respondent Olde. Claimant maintained that Respondent Olde made unsuitable recommendations for Claimant in investments including, but not limited to: Ballard Medical Products, SLM International Incorporated and Stratacom Incorporated. Claimant alleged that Respondent Olde recommended investments that did not match Claimant's knowledge, wealth and financial goals. Claimant contended that Olde Broker Renee Sabaugh ("Sabaugh") advised Claimant to purchase stocks on margin, but did not educate her of the risks involved with margin. Claimant alleged that Sabaugh used high pressure sales tactics on Claimant which resulted in frequent buys and sells. Claimant asserted that Sabaugh made certain misrepresentations concerning the character of some of her Olde-recommended investments which included statements that Sabaugh was sure that stocks would go up 2-4 points quickly. Claimant also maintained that Sabaugh churned her account.

Respondent Olde denied all liability to Claimant in the Statement of Answer. Respondent Olde alleged that Claimant was an informed investor who was aware of the risks associated with her chosen trading strategy. Respondent Olde contended that it dealt with Claimant in a manner that was consistent with all applicable securities rules and regulations. Respondent Olde asserted that Claimant directed and controlled all trading activity in her account while fully informed of the risks associated with her investment strategy. Respondent Olde alleged that Claimant represented to Olde that she had five years experience trading stocks and characterized herself as a moderate investor who primarily was interested in growth stocks. Respondent Olde asserted that Claimant advised Sabaugh prior to the purchases in question that she fully understood the mechanics as well as the potential risks and rewards of purchasing stocks on margin.

RELIEF REQUESTED

Claimant requested damages in the amount of \$74,689.00.

Respondent requested that the Claim be dismissed in its entirety with prejudice.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed

to receive conformed copies of the award while the original(s) remain on file with NASD Regulation, Inc. Office of Dispute Resolution.

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- (1) That the Statement of Claim is hereby dismissed in its entirety with prejudice;
- (2) That the parties shall bear their own respective attorneys' fees and costs; and
- (3) That other than forum fees, which are addressed below, all other claims and requests for relief not specifically enumerated are hereby dismissed in their entirety with prejudice.

FORUM FEES

Forum fees are calculated at the rate of \$500 per hearing session and \$300 for each hearing session before a single arbitrator. There were four (4) hearing sessions x \$500 = \$2,000 in forum fees. Pursuant to §10332(b) of the Code, a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to §10332(c) of the Code, NASD Regulation, Inc. Office of Dispute Resolution shall retain the non-refundable filing fee in the amount of \$150 and shall retain the hearing session deposit in the amount of \$500 previously deposited with NASD Regulation, Inc. Office of Dispute Resolution by Claimant.

Pursuant to §10333 of the Code, NASD Regulation, Inc. Office of Dispute Resolution shall retain the member surcharge in the amount of \$300.

Pursuant to §10332(c) of the Code, Claimant is assessed and shall pay forum fees in the amount of \$500 (1/2 total forum fees - hearing session deposit).

Pursuant to §10332(c) of the Code, Respondent Olde is assessed and shall pay forum fees in the amount of \$1,000 (1/2 total forum fees).

Fees are payable to NASD Regulation, Inc. Office of Dispute Resolution.

Concurring Arbitrators' Signatures

\s\ Frederick F. Fordon

Frederick F. Fordon

Chairperson

Public Arbitrator

May 14, 1997

Dated:

\s\ Erwin B. Ellmann, Esq.

Erwin B. Ellmann, Esq.

Panelist

Public Arbitrator

May 14, 1997

Dated:

\s\ Mark A. Cleland

Mark A. Cleland

Panelist

Industry Arbitrator

May 13, 1996

Dated:

For NASD Regulation use only:

Date award served on the parties: May 16, 1997