

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Olde Discount Corporation

96-02663

Name of Respondents

Ronald Greenberg
Judith S. Greenberg

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on June 21, 1996, Claimant Olde Discount Corporation ("Claimant"), through its representative and in-house counsel, Robert Anderson, Esq., alleged that Respondents Ronald Greenberg and Judith Greenberg ("Greenberg") opened and signed a Joint Account Application on September 14, 1992. Claimant further alleged that the Account Agreement contained a pre-dispute arbitration clause. Claimant also alleged that on or about February 5, 1993, Greenberg placed an order to purchase 200 shares of Lone Star Steakhouse Saloon stock ("Lone Star"). Claimant asserted that Greenberg also placed an order to purchase 400 shares of SPS Transaction SVCS Inc. stock ("SPS"). Claimant further asserted that the orders were read to and confirmed by Greenberg before they were entered. Claimant also asserted that the order for Lone Star was executed at \$46 per share and the SPS at \$55 1/2 per share. Claimant contended that the order totalled \$31,553.50 but Greenberg did not tender funds or stock to cover the trades. Claimant further contended that it was forced to sell the securities on February 18, 1993. Claimant also contended that the value of Lone Star was \$36 1/2 per share and SPS was \$42 1/4 at the time of the sale, for a total of \$24,045.93. Claimant alleged that Greenbergs have ignored the outstanding debit balance of \$7,507.57. Claimant further alleged that upon signing the Account Agreement, Greenberg agreed to pay any indebtedness plus interest, costs and attorneys fees. Claimant also alleged that Greenberg is liable for the debit balance.

Respondents Ronald Greenberg and Judith Greenberg who appeared Pro Se, maintained that they opened an account with Claimant for the purpose of purchasing the stock Berkshire Hathaway. Greenberg further maintained that claimant's representative, at the time they opened the account and on numerous occasions via telephone, tried to convince them to buy Lone Star and SPS. Greenberg also maintained that it was during one of the phone calls that he placed the order for Lone Star and SPS. Greenberg contended that he discussed the order with his wife and then called to cancel the order that same day. Greenberg further contended that he canceled the order before the change in price and before the order was filled. Greenberg also contended that when he called to cancel the order, Claimant's representative also tried to sell him more stock. Greenberg asserted that claimant never communicated with them again about the order, but filed a claim four years later. Greenberg further asserted that they are not liable for the debit balance since they canceled the order.

RELIEF REQUESTED

Claimant Olde Discount Corporation requested \$7,507.57 in actual damages, plus interest, costs and attorneys fees.

Respondents Ronald and Judith Greenberg requested that the claim be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator has reviewed and considered all submissions regarding Claimant Olde Discount Corporation's Motion to Preclude the answer of respondents Ronald Greenberg and Judith Greenberg pursuant to Section 10314(b)(2)(C) of the NASD Code of Arbitration Procedure. The Arbitrator denied the motion.

AWARD

Pursuant to Section 10302 of the NASD Regulation, Inc. Code of Arbitration Procedure, a single Public Arbitrator, George W. Kasserman, Jr., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration with the Uniform Submission Agreement signed by the claimant Olde Discount Corporation on May 24, 1996 and not by Respondents Ronald and Judith Greenberg as required by Sections 10301 and 10302 of the Code of Arbitration Procedure.

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. Respondents Ronald Greenberg and Judith Greenberg are jointly and severally liable and shall pay to Claimant Olde Discount Corporation \$7,507.57 in actual damages.
2. Respondents Ronald Greenberg and Judith Greenberg are jointly and severally liable and shall pay to the Claimant Olde Discount Corporation simple interest at the rate of 5% per annum from May 1, 1993 to June 30, 1996.
3. Respondents Ronald Greenberg and Judith Greenberg are jointly and severally liable and shall pay to the Claimant Olde Discount Corporation \$1,000.00 for attorneys fees pursuant to the Account Agreement.
4. The parties shall bear their respective costs.
5. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Olde Discount Corporation shall be retained by the NASD, Inc. Respondents Ronald Greenberg and Judith Greenberg are jointly and severally liable and shall pay to the claimant Olde Discount Corporation \$575.00 as reimbursement of the filing fee.
6. All other relief requests are denied.

AFFIRMATION

I, **GEORGE W. KASSERMAN, JR.**, 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.



Signature of Arbitrator

DATE OF DECISION: December 6, 1996