

**NASD Regulation, Inc., Award**

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**In the Matter of Arbitration Between**

**Olde Discount Corporation,**

**Claimant,**

**and**

**No. 96-02749**

**Godwin N. Chimagoro,**

**Respondent.**

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**REPRESENTATION OF PARTIES**

Claimant, Olde Discount Corporation was represented by David M. Kuhna, Vice President, of Olde in Detroit, Michigan.

Respondent, Godwin N. Chimagoro did not file an appearance or an answer.

**CASE INFORMATION**

Claimant, Olde Discount Corporation's Statement of Claim was filed on or about June 27, 1996. Claimant, Olde's Submission Agreement was signed on June 18, 1996 by David M. Kuhna, Vice President, of Olde Discount Corporation.

Respondent, Godwin N. Chimagoro did not file an Answer or a Submission Agreement.

**CASE SUMMARY**

Olde Discount Corporation ("Claimant") asserted that on or about February 22, 1995, Godwin N. Chimagoro ("Respondent") opened account number 163 07884 and signed an Investors Account Application with Claimant, that contained a Predispute Arbitration clause, and also included a clause wherein Respondent agreed to pay for any indebtedness plus interest and reasonable costs and expenses of collection, including attorneys fees. Claimant alleged that on or about February 22, 1995, Respondent purchased 30,000 Federal Home Loan Mortgage Corporation bonds 8.5%, 03-15-2024 ("the bonds.") The bonds were said to have paid out principal, plus interest monthly with the final principal interest payments being paid January 1996. Claimant stated that on or about

December 15, 1995, Claimant credited Respondent's account for \$4,695.12 for redemption on the bonds and \$78.29 as corporate bond interest on the bonds. Claimant alleged that on or about January 12, 1996, Claimant credited Respondent's account, \$6,357.32 for a final payment of the bonds and that on or about January 15, 1996, Claimant credited Respondent's account \$45.03 as final interest payment on the bonds. According to the Claimant, despite Respondent's receipt of his final payment and final interest payment on January 12 and 15, 1996, Respondent's account was erroneously credited \$4,695.12 as final payment for the same bonds and was erroneously credited \$78.29 in interest payment for the same bonds on or about January 17, 1996. Claimant asserted that it recognized the errors on or about January 31, 1998 and, accordingly, debited Respondent's account for \$4,773.41. On or about February 2, 1996, and February 5, 1996, Claimant alleged it credited Respondent's account \$76.88 in money market interest. Claimant asserted that the Respondent was responsible for \$4,696.53, which has not been paid to date.

Godwin N. Chimagoro ("Respondent") did not respond to the Claimant's Statement of Claim.

### **RELIEF REQUESTED**

Claimant, Olde Discount Corporation requested an award for \$4,696.53 in compensatory damages and costs and attorneys' fees related to this matter.

### **OTHER ISSUES CONSIDERED AND DECIDED**

On or about May 14, 1998, Claimant, Olde Discount Corporation submitted written notification of its compliance with the order of the undersigned Arbitrator to provide notice by publication to the Respondent, Godwin N. Chimagoro for a period of one week in a major newspaper of general circulation in the city which the Respondent was last known to reside, pursuant to the Texas Rules of Civil Procedure and the Code. Upon review of the file and the representations made by/on behalf of Claimant, Olde Discount Corporation, the undersigned Arbitrator determined that Respondent, Godwin N. Chimagoro, has been properly served with the Statement of Claim pursuant to Rule 10302 of the Code.

Respondent, Godwin N. Chimagoro, did not file with NASD Regulation, Inc. Office of Dispute Resolution a properly executed submission to arbitration, but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure and is bound by the determination of the arbitration panel on all issues submitted.

### **AWARD**

Pursuant to Rule 10302 of the Code of Arbitration Procedure, the undersigned Arbitrator was selected to review and determine the matter in controversy between the parties. The Arbitrator, has decided in full and final resolution of the issues submitted for determination as follows:

1. That the Respondent, Godwin N. Chimagoro is liable for and shall pay to Claimant, Olde

Discount Corporation, the sum of \$4,696.53 in compensatory damages;

2. That the Respondent, Godwin N. Chimagoro is liable for and shall pay to Claimant, Olde Discount Corporation, the sum of \$1,468.25 for Claimant's attorneys' fees pursuant to the terms of the Investors Account Application; and,
3. The \$500 claim filing fee, the \$75 simplified arbitration fee and the \$100 member surcharge previously paid to the NASD Regulation, Inc. Office of Dispute Resolution by Claimant, Olde Discount Corporation shall be retained by the NASD Regulation, Inc. Office of Dispute Resolution.

**AFFIRMATION**

I, Russell E. Rains, Esquire, 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.

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Russell E. Rains, Esquire  
Russell E. Rains, Esquire

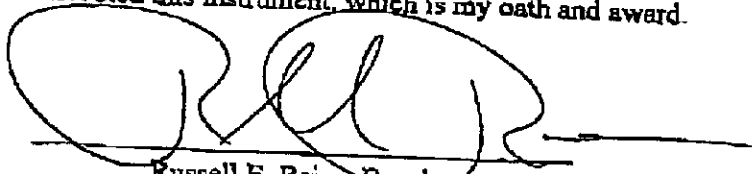
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Date served: July 8, 1998

Discount Corporation, the sum of \$4,696.53 in compensatory damages;

2. That the Respondent, Godwin N. Chimagoro is liable for and shall pay to Claimant, Olde Discount Corporation, the sum of \$1,468.25 for Claimant's attorneys' fees pursuant to the terms of the Investors Account Application; and,
3. The \$500 claim filing fee, the \$75 simplified arbitration fee and the \$100 member surcharge previously paid to the NASD Regulation, Inc. Office of Dispute Resolution by Claimant, Olde Discount Corporation shall be retained by the NASD Regulation, Inc. Office of Dispute Resolution.

**AFFIRMATION**

I, Russell E. Rains, Esquire, 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.



Russell E. Rains, Esquire

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Date served: