

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Raymond Phillips

Case No. 99-01115

Names of Respondents

Olde Discount Corporation
Jody Dean Houston
Albert John Scibilia
Randy Brian Blinder

REPRESENTATION OF PARTIES

For Raymond Phillips ("Claimant"): John R. Kiefner, Jr., Esq. of the law firm of Riden, Earle & Kiefner, P.A., St. Petersburg, Florida.

For Olde Discount Corporation ("Olde"), Jody Dean Houston ("Houston") and Randy Brian Blinder ("Blinder"): Carranza M. Pryor, Esq. and A. Inge Selden, III, Esq. of the law firm of Maynard, Cooper & Gale, P.C., Birmingham, Alabama.

Respondent Albert John Scibilia ("Scibilia") did not appear.

CASE INFORMATION

Statement of Claim filed on or about: March 9, 1999.

Claimant signed the Uniform Submission Agreement on: March 8, 1999.

Statement of Answer filed by Respondents Olde, Houston and Blinder on or about: July 30, 1999.

Respondent Olde signed the Uniform Submission Agreement on: May 28, 1999.

Respondent Houston signed the Uniform Submission Agreement on: August 2, 1999.

Respondent Blinder signed the Uniform Submission Agreement on: August 4, 1999.

Respondent Scibilia did not file a Statement of Answer or executed Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: 1) violations of Section 517.301 of the Florida Securities and Investor Protection Act; 2) common law fraud; 3) breach of fiduciary duty; 4) negligence; 5) gross negligence; 6) breach of contract; 7) violations of Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934; 8) violations of Section 772.102 of the Florida Civil Remedies for Criminal Practices Act; and 9) violations of Section 501.2077

of the Florida Deceptive Trade Practices Act.

Claimant further alleged the following: Respondents Houston, Scibilia and Blinder were registered securities representatives of Respondent Olde. Respondents Houston, Scibilia and Blinder engaged in a fraudulent scheme of buying and selling unsuitable securities known as Olde "Special Ventures" and Olde-backed common stocks. Respondent Olde is liable for the conduct of Respondents Houston, Scibilia and Blinder under principles of agency law and the doctrine of respondeat superior.

Unless specifically admitted in its Answer, Respondents Olde, Houston and Blinder denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Claimant failed to state a claim upon which relief may be granted; 2) Claimant failed to allege fraud with specificity; 3) Claimant is barred from recovery by laches, waiver, estoppel, and ratification; 4) Respondents fully satisfied and discharged their limited transactional duties to Claimant; 5) Respondent Olde and its agents did not perpetrate the alleged misconduct; 6) Claimant assumed the risk of his investment transactions and the losses; 7) economic, industry, corporate and market conditions caused Claimant's losses, if any; 8) Claimant may not recover punitive, exemplary or treble damages, as such damages are not permitted under applicable state laws and the circumstances; 9) Claimant is not entitled to attorneys' fees; 10) Claimant is barred from recovery for failure to exercise due diligence; 11) Claimant failed to mitigate his damages; and 12) Claimant is barred from recovery by the economic loss doctrine.

RELIEF REQUESTED

Claimant requested compensatory damages of \$500,000.00, punitive damages of \$1,000,000.00, treble damages of \$1,500,000.00, a civil penalty award of \$15,000.00, costs, interest, attorneys' fees, and such other relief the undersigned arbitrators (the "Panel") deemed necessary and proper.

Respondent Olde requested dismissal of all claims and an award of costs and expenses incurred in defending the claims.

Respondents Houston and Blinder requested dismissal of all claims, an award of costs and expenses incurred in defending the claims, and expungement of all references to the above captioned arbitration from their registration records maintained by the NASD Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Scibilia did not attend the evidentiary hearing. Upon review of the file and the representations made by the Claimant, the Panel determined that Respondent Scibilia had not been properly served with the Statement of Claim and did not receive due notice of the hearing. Therefore, the claims asserted against Respondent Scibilia were dismissed without prejudice.

At the evidentiary hearing, the Panel granted Respondent Houston's motion to release and expunge all references to the above captioned arbitration from his registration records maintained by the NASD CRD.

The parties present at the evidentiary hearing have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

All claims asserted in this arbitration are hereby dismissed with prejudice.

In the event there is a notation on the NASD CRD with respect to Respondents Houston or Blinder, the Panel recommends the expungement of all references to the above captioned arbitration from Respondents Houston's and Blinder's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notice to Members 99-90, Respondents Houston and Blinder must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

The Panel did not reach a determination with respect to the issue of attorneys' fees.

All other requests for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:
Initial claim filing fee = \$250.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$4,500.00

Adjournment Fees

Adjournments requested during these proceedings:

There were no adjournments requested during these proceedings.

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$1,000.00 = \$1,000.00
Pre-hearing conference: February 24, 2000 1 session

Four (4) Hearing sessions x \$1,000.00 = \$4,000.00
Hearing Dates: May 17, 2000 2 sessions
May 18, 2000 2 sessions

Total Forum Fees = \$5,000.00

The Panel has assessed \$2,500.00 of the forum fees to Claimant.

The Panel has assessed \$2,500.00 of the forum fees to Respondent Olde.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during these proceedings.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 250.00
Forum Fees	= \$2,500.00
Total Fees	= \$2,750.00
<u>Less payments</u>	<u>= \$1,250.00</u>
Balance Due NASD Regulation, Inc.	= \$1,500.00

Respondent Olde be and hereby is solely liable for:

Member Fees	= \$ 7,600.00
Forum Fees	= \$ 2,500.00
Total Fees	= \$10,100.00
<u>Less payments</u>	<u>= \$ 7,600.00</u>

Balance Due NASD Regulation, Inc. = \$2,500.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

_____/s/_____
Dale W. Hagen, Esq.
Public Arbitrator, Chairperson

Signature Date

_____/s/_____
Linda J. Solway
Public Arbitrator

Signature Date

_____/s/_____
Gary F. Lang
Industry Arbitrator

Signature Date


June 19, 2000
Date of Service (For NASD office use only)

Balance Due NASD Regulation, Inc.

= \$2,500.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures



Dale W. Hagen, Esq.
Public Arbitrator, Chairperson

June 6, 2000
Signature Date

Linda J. Solway
Public Arbitrator

Signature Date

Gary F. Lang
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

Balance Due NASD Regulation, Inc.


≈ \$2,500.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

Dale W. Hagen, Esq.
Public Arbitrator, Chairperson

Signature Date



Public Arbitrator



Signature Date

Gary F. Lang
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

Balance Due NASD Regulation, Inc.

= \$2,500.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

Dale W. Hagen, Esq.
Public Arbitrator, Chairperson

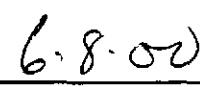
Signature Date

Linda J. Solway
Public Arbitrator

Signature Date



Gary H. Lang
Industry Arbitrator



Signature Date

Date of Service (For NASD office use only)