

**Award**  
**NASD Regulation, Inc.**

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In the Matter of the Arbitration Between:  
Olde Discount Corporation, Claimant v. Gregory Royal, Respondent

Case Number: 99-02059

Hearing Site: Los Angeles, California

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**REPRESENTATION OF PARTIES**

For Claimant:

Mitch Albert, Esq.  
Albert & Will  
Torrance, California

For Respondent:

Gregory Royal  
In Pro Per  
Onalaska, Wisconsin

**CASE INFORMATION**

Statement of Claim filed: April 30, 1999

Claimant's Uniform Submission Agreement signed: April 30, 1999

Statement of Answer filed by Respondent: June 15, 2000

**CASE SUMMARY**

Claimant alleged that Respondent failed to adequately meet a margin call due to a decline in value of Respondent's shares in Data Broadcasting Corporation. Claimant liquidated the shares in Respondent's account to cover the loss, however, a debit balance remained. Claimant alleged that Respondent never reimbursed Claimant for the outstanding debit balance.

Respondent denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim. Respondent, in his proposed Counter-claim, alleged negligence.

**RELIEF REQUESTED**

Claimant requested compensatory damages in the sum of \$16,832.10, interest in the amount of \$372.23, costs in the amount of \$1,222.50, and attorney's fees.

Respondent, in his proposed Counter-claim, requested restitution in the amount of \$10,100.00.

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

On June 15, 2000, Respondent Gregory Royal filed an answer and attempted to file a Counter-claim. On June 19, 2000, the Arbitrator permitted Respondent's Answer, however, disallowed the filing of the Counter-claim as it was untimely filed pursuant to Rules 10314(b)(2)(C) and 10328(b). The filing fee for the Counter-claim was not assessed as the Counter-claim was not considered.

On June 19, 2000, Respondent Gregory Royal was permitted to appear at the hearing via telephone.

Respondent Gregory Royal did not file with the NASD Regulation, Inc. Office of Dispute Resolution a properly executed submission to arbitration. He is required to submit to arbitration pursuant to the Code and having answered the Statement of Claim, appeared via telephone, and testified at the hearing is bound by the determination of the Arbitrator on all issues submitted.

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.

### **AWARD**

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

- 1) Respondent Gregory Royal is liable to and shall pay Claimant the sum of \$16,832.37 in compensatory damages.
- 2) Interest shall accrue on the compensatory damages awarded at the rate of 10% per annum from March 1, 1999 until paid.
- 3) Respondent Gregory Royal is liable to and shall pay Claimant the sum of \$1,222.50 in costs.
- 4) Each party shall bear its own attorney's fees.
- 5) All other relief not expressly granted is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Regulation, Inc. has received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 750.00
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#### **Member Fees**

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the event of the dispute. Accordingly, the member firm Olde Discount Corporation is a party and the following fees are assessed:

Member Surcharge	= \$ 400.00
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#### **Forum Fees and Assessments**

The Arbitrator assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Arbitrator. The following fees are assessed:

(1) Pre-hearing conference session @ \$ 450.00/session	= \$ 450.00
Pre-hearing conference:      October 14, 1999      1 session	

(1) Hearing session @ \$450.00/session	= \$ 450.00
Hearing:                              June 19, 2000              1 session	

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Total Forum Fees	= \$ 900.00
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1. The Arbitrator assessed \$ 225.00 of the forum fees to Claimant Olde Discount Corporation.
2. The Arbitrator assessed \$ 675.00 of the forum fees to Respondent Gregory Royal.

**Fee Summary**

1. Claimant Olde Discount Corporation is charged with the following fees and costs:


Initial Filing Fee	= \$ 750.00
Member Fees	= \$ 400.00
<u>Forum Fees</u>	<u>= \$ 225.00</u>
Total Fees	= \$ 1,375.00
<u>Less payments</u>	<u>= \$(2,200.00)</u>
Refund Due Claimant	= \$ (825.00)


2. Respondent Gregory Royal is charged with the following fees and costs:

<u>Forum Fees</u>	<u>= \$ 675.00</u>
Balance Due NASD Regulation, Inc.	= \$ 675.00

All balances are payable to NASD Regulation, Inc. and are due within 30 days of the Award's date of service.

**Arbitrator's Signature**

  
Gerald A. Koris, Esq.  
Chair, Public Arbitrator

  
Signature Date

  
Date of Service