

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Antonio Masci, Iginio Masci, Iginio Masci a/c/f Christopher Masci, Frances Masci, and Mastown Construction Co., Inc., Profit Sharing Plan (Claimants) vs. Olde Discount Corporation and John B. Inferrera, (Respondents)

Case Number: 99-02117

Hearing Site: Buffalo, New York

REPRESENTATION OF PARTIES

Claimants, Antonio Masci ("A. Masci"), Iginio Masci ("I. Masci"), Iginio Masci a/c/f Christopher Masci ("I. Masci a/c/f C. Masci"), Frances Masci ("F. Masci"), and Mastown Construction Co., Inc. Profit Sharing Plan ("Mastown"), hereinafter collectively referred to as "Claimants": Sanford R. Shapiro, Esq., Shapiro, Rosenbaum, Liebschutz & Nelson, LLP, Rochester, NY.

Respondents, Olde Discount Corporation ("Olde") and John B. Inferrera ("Inferrera"), hereinafter collectively referred to as "Respondents": Theodore A. Krebsbach, Esq. and Liam O'Brien, Esq., Theodore A. Krebsbach & Associates, P.C., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: May 6, 1999.

A. Masci signed the Uniform Submission Agreement: May 5, 1999.

I. Masci signed the Uniform Submission Agreement: May 5, 1999.

I. Masci a/c/f C. Masci signed the Uniform Submission Agreement: June 9, 1999.

F. Masci signed the Uniform Submission Agreement: May 5, 1999.

Mastown signed the Uniform Submission Agreement: May 5, 1999.

Joint Statement of Answer filed by the Respondents on or about: September 28, 1999.

Olde signed the Uniform Submission Agreement: July 23, 1999.

Inferrera signed the Uniform Submission Agreement: September 30, 1999.

CASE SUMMARY

Claimants asserted the following causes of action: purchasing securities on margin without authorization; unauthorized transactions; misrepresentation; failure to disclose material facts; unsuitability; violation of fiduciary duty; failure to adequately supervise; failure to prevent unauthorized trading on margin in Claimants' accounts; and failure to review the margin trading in Claimants' accounts in relation to the value of the accounts. Claimants' claims

involved the stock of the following companies: Mexico Fund, Inc.; Mylan Laboratories, Inc.; Sun Microsystems, Inc.; Intel Corporation; Novellus Systems, Inc.; Integrated Device Technology, Inc.; Tencor Instruments; Tellabs, Inc.; and Stratacom, Inc.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a claim upon which relief can be granted; the claims are barred in whole or part by the applicable statutes of limitation; the claims are barred by the defenses of estoppel, waiver, ratification, and laches; Respondents acted in good faith and in compliance with all applicable rules and regulations; Claimants did not reasonably rely on any wrongful action or inaction by Respondents; Respondents did not misrepresent material facts to Claimants; upon information and belief, Claimants still own all or some of the securities purchased through Olde and have not realized the losses claimed in this case; the allegations related to compensatory damages are conclusory and fail to set forth facts sufficient to state a claim for recovery of such damages; the facts in this case, as a matter of law, do not support a claim for punitive damages; an award of pre-judgment interest and attorneys fees is barred as a matter of law; and Respondents discharged their responsibilities in a professional and ethical manner, in good faith, and in accordance with the investment objectives expressed by Claimants.

RELIEF REQUESTED

Claimants requested compensatory damages for their several losses in the collective sum of \$696,295.00; plus their several losses of margin interest paid in the collective sum of \$11,071.00; interest from March 29, 1996; costs; punitive damages pursuant to the Federal Arbitration Act; and counsel fees.

Respondents requested that the Statement of Claim be dismissed, and that the costs of this arbitration be assessed against Claimants.

OTHER ISSUES CONSIDERED AND 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.

AWARD

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

1. Respondents be and hereby are jointly and severally liable for and shall pay to A. Masci and F. Masci jointly the sum of \$2,655.00 for margin interest paid, plus interest at the rate of 9% per annum accruing from July 7, 1995 until paid.
2. Respondents be and hereby are jointly and severally liable for and shall pay to A. Masci and I. Masci jointly the sum of \$1,671.00 for margin interest paid, plus interest at the rate of 9% per annum accruing from September 15, 1995 until paid.
3. Respondents be and hereby are jointly and severally liable for and shall pay to Mastown the sum of \$1,754.00 as compensatory damages and margin interest paid, plus interest at the rate of 9% per annum accruing from September 12, 1995 until paid.
4. Respondents be and hereby are jointly and severally liable for and shall pay to I. Masci the sum of \$44,578.00 as compensatory damages and margin interest paid, plus interest at the rate of 9% per annum accruing from September 8, 1995 until paid.
5. Each party shall bear its or their own costs.
6. Claimants' request for punitive damages is hereby denied.
7. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 375.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, Olde Discount Corporation is a party.

Member surcharge	= \$ 2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 3,500.00

Adjournment Fees

Adjournments requested during these proceedings:

August 3 & 4, 2000, adjournment by Respondents	= FEE WAIVED
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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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Four (4) Pre-hearing sessions with Panel x \$1,200.00	= \$ 4,800.00
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Pre-hearing conferences:	March 28, 2000	1 session
	May 24, 2000	1 session
	June 12, 2000	1 session
	July 11, 2000	1 session

Six (5) Hearing sessions x \$1,200.00	= \$ 6,000.00
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Hearing Dates:	October 3, 2000	2 sessions
	October 4, 2000	2 sessions
	October 5, 2000	1 session

Total Forum Fees	= \$10,800.00
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1. The Panel has assessed \$5,400.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$5,400.00 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	= \$ 5,400.00
Total Fees	= \$ 5,775.00
<u>Less payments</u>	= \$ 1,575.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 4,200.00

2. Olde be and hereby is solely liable for:

<u>Member Fees</u>	= \$ 6,100.00
Total Fees	= \$ 6,100.00
<u>Less payments</u>	= \$ 6,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

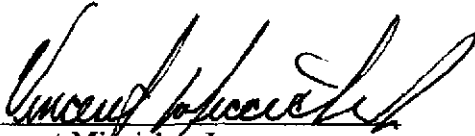
3. Respondents be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 5,400.00
Total Fees	= \$ 5,400.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 5,400.00

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Vincent Micciche, Jr.
Industry Arbitrator, Presiding Chair

11/29/2000
Signature Date

James C. Galloway
Public Arbitrator

Signature Date

Ralph L. Halpern, Esq.
Public Arbitrator

Signature Date

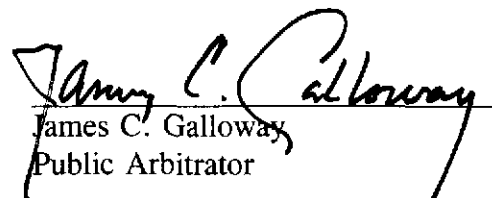
December 4, 2000
Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Vincent Micciche, Jr.
Industry Arbitrator, Presiding Chair

Signature Date


James C. Galloway
Public Arbitrator

November 30, 2000
Signature Date

Ralph L. Halpern, Esq.
Public Arbitrator

Signature Date

December 4, 2000
Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures

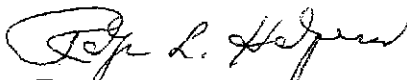
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Vincent Micciche, Jr.
Industry Arbitrator, Presiding Chair

Signature Date

James C. Galloway
Public Arbitrator

Signature Date



Ralph L. Halpern, Esq.
Public Arbitrator

11-29-00

Signature Date

December 4, 2000

Date of Service (For NASD office use only)