

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

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In the Matter of the Arbitration Between:

OLDE Discount Corporation vs. Hamid Farida a/k/a Greenfield Investors

Case Number: 99-2161

Hearing Site: Detroit, Michigan

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**REPRESENTATION OF PARTIES**

Claimant, OLDE Discount Corporation, hereinafter referred to as "Claimant": Michael P. Knittel, Esq., and Aaron L. Kleid, Esq., OLDE Discount Corporation, Detroit, Michigan.

Respondent, Hamid Farida a/k/a Greenfield Investors, hereinafter referred to as "Respondent": did not appear.

**CASE INFORMATION**

Statement of Claim filed on or about: May 10, 1999

Claimant OLDE Discount Corporation signed the Uniform Submission Agreement: May 7, 1999

**CASE SUMMARY**

Respondent Hamid Farida a/k/a Greenfield Investors ("Respondent") maintained a margin account with Claimant OLDE Discount Corporation ("Claimant"). Respondent's account contained a margin debit which was offset by securities contained in the account. Said securities fell in value, causing Respondent's account to fall below the minimum required margin levels. The drop in the value of the securities contained in Respondent's account forced Claimant to sell-out shares pursuant to Federal Regulations and Claimant's Investors Account Agreement. The sale of the shares resulted in a credit to Respondent's account, but the credit failed to cover the margin debit existing in the account. This created a debit in Respondent's account in the amount of \$14,451.64. Respondent's account was also charged margin interest, bringing the total debit in the account to \$14,980.85.

Claimant asserted that by signing the Investors Account Application, Respondent accepted all terms and conditions contained in Claimant's Investors Account Agreement, including all terms and conditions regarding maintenance of margin account. Claimant further asserted that Regulation T, promulgated pursuant to the Securities Exchange Act of 1934, 15 U.S.C. 78a, et seq., bound Respondent to certain rules regarding margin trading. Claimant alleged that pursuant to both the Investors Account Agreement and Regulation

T, Respondent had the obligation to maintain sufficient amounts of equity in his margin account. Claimant maintained that Respondent failed to do so, forcing Claimant to sell-out shares necessary to cover the margin debit. Claimant asserted that the sell-outs failed to cover the margin debit, creating the debit balance in his account.

### **RELIEF REQUESTED**

Claimant requested an award of out of pocket damages in the amount of \$23,269.39, broken down as (1) \$14,980.85 in actual damages; (2) \$7,046.04 in accrued interest per applicable laws of the State; and (3) \$1,242.50 in related costs. Claimant also requested attorney fees in connection with the present action and for costs and interest calculated from the time of the filing of the Statement of Claim through the time of hearing.

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

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrator the "Arbitrator" determined that Respondent Hamid Farida a/k/a Greenfield Investors has been constructively served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Hamid Farida a/k/a Greenfield Investors did not file with the NASD Regulation, Inc. Office of Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Arbitrator on all issues submitted.

Claimant, the party present at arbitration, 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 and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Respondent Hamid Farida a/k/a Greenfield Investors is liable to and shall pay Claimant, OLDE Discount Corporation, the sum of \$14,980.85 in compensatory damages;
- 2.) Respondent Hamid Farida a/k/a Greenfield Investors is liable to and shall pay Claimant, OLDE Discount Corporation, interest in the amount of \$7,046.04;

- 3.) Respondent Hamid Farida a/k/a Greenfield Investors is liable to and shall pay Claimant, OLDE Discount Corporation, the sum of \$1,242.50 as costs;
- 4.) Any and all relief not specifically addressed herein is 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	= \$750.00
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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(s) at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

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

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

One (1) Pre-hearing session with a single arbitrator	x \$450.00	= \$450.00
Pre-hearing conference:	November 17, 1999	1 session

One (1) Hearing sessions	x \$450.00	= \$450.00
Hearing Date:	<u>January 27, 2000</u>	1 session

Total Forum Fees	= \$900.00
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The Arbitrator has assessed \$450.00 of the forum fees to OLDE Discount Corporation.  
The Arbitrator has assessed \$450.00 of the forum fees to Hamid Farida a/k/a Greenfield Investors.

### **Fee Summary**

Claimant, OLDE Discount Corporation, be and hereby is solely liable for:

Initial Filing Fee	= \$ 750.00
Member Fees	= \$ 400.00
<u>Forum Fees</u>	= \$ <u>450.00</u>

Total Fees	= \$ 1,600.00
<u>Less payments</u>	<u>= \$ 1,600.00</u>
Balance Due NASD Regulation, Inc.	= \$ 0.00

Respondent, Hamid Farida a/k/a Greenfield Investors, be and hereby is solely liable for:

<u>Forum Fees</u>	<u>= \$ 450.00</u>
Total Fees	= \$ 450.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Regulation, Inc.	= \$ 450.00

All balances are due to NASD Regulation, Inc.

**Concurring Arbitrator's Signature**

/s/ Thomas Anthony Van Tiem, Sr., Esq.  
Thomas Anthony Van Tiem, Sr., Esq.  
Public Arbitrator, Presiding Chair

01/28/00  
Date

01/31/00  
Date of Service (For NASD office use only)

Total Fees	= \$ 1,600.00
<u>Less payments</u>	= <u>\$ 1,600.00</u>
Balance Due NASD Regulation, Inc.	= \$ 0.00

Respondent, Hamid Farida a/k/a Greenfield Investors, be and hereby is solely liable for:

<u>Forum Fees</u>	= <u>\$ 450.00</u>
Total Fees	= \$ 450.00
<u>Less payments</u>	= <u>\$ 0.00</u>
Balance Due NASD Regulation, Inc.	= \$ 450.00

All balances are due to NASD Regulation, Inc.

Concurring Arbitrator's Signature

Thomas A. Vanden, Sr.  
Thomas Anthony Van Tiem, Sr., Esq.  
Public Arbitrator, Presiding Chair

January 28, 2000  
Date

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Date of Service (For NASD office use only)