

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Robert I. Strougo (Claimant) v. TD Waterhouse Investor Services, Inc. (Respondent)

Case Number: 04-02859

Hearing Site: New York, New York

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

Claimant Robert I. Strougo ("Strougo") hereinafter referred to as "Claimant" appeared *pro se*.

Respondent TD Waterhouse Investor Services, Inc. ("TD Waterhouse") hereinafter referred to as "Respondent": Theodore Snyder, Esq., Krebsbach & Snyder, P.C., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: April 16, 2004.

Claimant signed the Uniform Submission Agreement: April 16, 2004.

Statement of Answer filed by Respondent on or about: June 22, 2004.

Respondent signed the Uniform Submission Agreement: June 17, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: negligence; and breach of fiduciary duty. The causes of action relate to Silicon Graphics, Inc. ("SGI") 5.25% Senior Convertible Notes.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$500,000.00; punitive damages; interest; attorneys' fees; costs; and such other and further relief as the Panel may deem just and proper.

Respondent requested that Claimant's Statement of Claim be dismissed in all respects, and that disbursements and costs be assessed against Claimant.

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

1. Claimant's claims are dismissed in their entirety.

"The Panel believes the parties are entitled to know how it arrived at its unanimous decision, based on the evidence presented. Claimant was negligent in not exercising his right to exchange the bonds in dispute in a timely fashion, even though he knew of the expiration date beforehand.

While Claimant's assertion that he did not receive notice from Respondent that he and other bondholders of Silicon Graphics had until a certain date to tender their bonds for better yielding securities of the company (December 19, 2003), documentary evidence introduced by Respondent showed that notice was mailed to him. Whether or not that evidence was, in itself, sufficient to defeat Claimant's assertion, what is clear to the Panel is that Claimant was aware of the date by which the tender of his bonds would expire and that he could have done so in advance of December 19, 2003. In addition, once he learned the date had passed without his bonds having been tendered by Respondent to Silicon Graphics, Claimant – a practicing attorney and sophisticated investor – made no effort to mitigate his alleged damages (i.e., purchase the better-yielding securities in the marketplace). Lastly, Claimant admitted that he continued to maintain his position in the lower-yielding bond until its maturity in 2004, and, as a result, received interest on that bond and the complete return of his principal."

2. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:
Initial claim filing fee = \$300.00

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. Accordingly, TD Waterhouse Investor Services, Inc. is a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00
 Pre-hearing conference: February 7, 2005 1 session

One (1) Pre-hearing session with Panel @ \$1,125.00 = \$1,125.00
 Pre-hearing conference: August 30, 2004 1 session

Three (3) Hearing sessions @ \$1,125.00 = \$3,375.00
 Hearing Dates: February 16, 2005 2 sessions
 February 17, 2005 1 session

Total Forum Fees = \$4,950.00

1. The Panel has assessed \$4,950.00 of the forum fees against Claimant.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$4,950.00
Total Fees	= \$5,250.00
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$3,825.00

2. Respondent is solely liable for:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

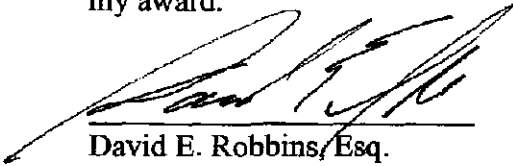
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

David E. Robbins, Esq.	-	Public Arbitrator, Presiding Chairperson
Donald Sanford Stroetzel	-	Public Arbitrator
Paul J. Camilleri, Esq.	-	Non-Public Arbitrator

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.



David E. Robbins, Esq.
Public Arbitrator, Presiding Chairperson



Signature Date

Donald Sanford Stroetzel
Public Arbitrator

Signature Date

Paul J. Camilleri, Esq.
Non-Public Arbitrator

Signature Date

March 2, 2005

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

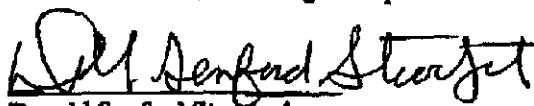
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Donald Sanford Stroetzel	-	Public Arbitrator
Paul J. Camilleri, Esq.	-	Non-Public Arbitrator

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David E. Robbins, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Donald Sanford Stroetzel
Public Arbitrator

February 28, 2005

Signature Date

Paul J. Camilleri, Esq.
Non-Public Arbitrator

Signature Date

March 2, 2005

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

David E. Robbins, Esq.	-	Public Arbitrator, Presiding Chairperson
Donald Sanford Stroetzel	-	Public Arbitrator
Paul J. Camilleri, Esq.	-	Non-Public Arbitrator

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David E. Robbins, Esq.
Public Arbitrator, Presiding Chairperson


Signature Date

Donald Sanford Stroetzel
Public Arbitrator

Signature Date



Paul J. Camilleri, Esq.
Non-Public Arbitrator



Signature Date

March 2, 2005

Date of Service (For NASD Dispute Resolution use only)