

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Razia Samiullah and
T.S. Sharieff

Claimant(s)

vs.

Majestic Securities, Inc.,
Wedbush Noble Cooke Inc., and
Tony Ashraf

Respondent(s)

AWARD

CASE NO. 87-01323

SUMMARY OF ISSUES

This case was filed on August 31, 1987. Claimants alleged the following: They opened an account with Respondent Majestic Securities, Inc. (Majestic) on May 4, 1987 by depositing \$15,000.00 with Respondent Wedbush Noble Cooke, Inc. (Wedbush). Their account executive with Majestic was Respondent Tony Ashraf (Ashraf). Respondents engaged in unauthorized trading in options, unsuitability of trades and excessive trading with Claimants' account.

Respondent Wedbush alleged the following: The losses of Claimants were a result of the actions of Ashraf, whom Wedbush did not supervise. The written agreement between Wedbush and Majestic stated that Majestic would be responsible for compliance with all laws and for supervising transactions.

Respondent Majestic alleged the following: Claimants were aggressive, sophisticated investors who understood, consented to, encouraged, and directed the trading strategies suggested by their account executive. Majestic counterclaimed for sanctions and for attorneys' fees and costs due to the frivolousness of the claim.

Respondent Ashraf alleged that he advised Claimants of the risks involved in the kinds of trades requested and consented to by them. Full disclosure was made to Claimants by Ashraf.

DAMAGES AND RELIEF REQUESTED

Claimants requested \$15,000.00 in compensatory damages.

Respondent Majestic Securities, Inc. counterclaimed for attorneys' fees and costs as a result of the frivolousness of the claim.

DAMAGES AND RELIEF AWARDED

On July 28, 1989, in San Francisco, the undersigned arbitrators heard in one session the controversy between the parties as set forth in submissions

to arbitration signed by Claimants on July 14, 1987 and by Respondents Majestic on October 5, 1987, Ashraf on March 7, 1988 and Wedbush on October 9, 1987. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Each and every claim is dismissed.
2. The counterclaim of Respondents for sanctions and/or attorneys' fees and costs is dismissed.
3. The parties shall each bear their respective costs including attorneys' fees.
4. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. (NASD) Code of Arbitration Procedure, the NASD shall retain the \$400.00 filing fee previously deposited by the Claimant.

Also in accordance with Section 43 of the NASD Code the arbitrators assess forum fees of \$400.00 against Respondents Majestic and Ashraf jointly and severally.

OTHER ISSUES

Respondent Wedbush made a motion to dismiss at the hearing based on the failure to state a claim against it which was granted. Respondents Majestic and Ashraf also made the same motion which was denied as to them.

ARBITRATORS CONCURRING

DATE SERVED: 08/18/89

Neil Bardack, Esq.



James H. Schilt, CPA

Neil G. Clem

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