

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Stephen M. Chu

Claimant

vs.

Kennedy Cabot & Co., Inc.

Respondents

CASE NO. 87-01905

SUMMARY OF ISSUES

This case was filed on October 8, 1987. Claimant alleges that Claimant was not permitted to make margin transactions in his account with Respondent due to a clerical error on the part of Respondent. Claimant states that he was told by Respondent that the correction would be made in a timely manner. Claimant alleges that he lost trading opportunities because said correction was delayed.

Respondent alleges that Claimant failed to mitigate his damages in a timely manner and therefore any harm he may have suffered was due to his own inaction.

Respondent also cross claims for an unsecured debit balance in Claimant's account.

DAMAGES AND RELIEF REQUESTED

Claimant seeks to recover \$25,000.00 and costs.

Respondent seeks to recover the debit balance of \$4,639.12, interest and costs.

DAMAGES AND RELIEF AWARDED

On August 4, 1989, the undersigned arbitrators heard the controversy in two (2) sessions between the parties as set forth in submissions to arbitration signed by Claimant Stephen M. Chu on September 27, 1987 and by Respondent Kennedy Cabot and Company on January 6, 1988. 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 of Claimant Stephen M. Chu is dismissed.
2. Each and every cross claim by Kennedy Cabot and Company against Stephen M. Chu is dismissed.

3. The parties shall each bear their respective costs including attorney's fees.

4. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, Claimant Stephen M. Chu shall pay to the NASD a filing fee of \$400.00.

OTHER ISSUES

Prior to the hearing Claimant dismissed, with prejudice, the Respondents:

1. Securities Settlement Corporation
2. Seth Isaacs
3. Andrew Appel
4. Denise Baudoin
5. George Kupper
6. Mike Gindick

ARBITRATORS CONCURRING

DATE SERVED: October 12, 1989

Laurie J. Butler  
Laurie J. Butler

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Isidoro Berkman, Esq.

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George J. Rosen