

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

PAINWEBBER, INC.

Claimant(s)

and

POORAN C. TRIPATHI AND
PRATIMA TRIPATHI

Respondent(s)

CASE NO. 87-02210

CASE SUMMARY

PaineWebber, Inc. ("Claimant") alleged that Pooran Tripathi and Pratima Tripathi ("Respondents") are liable to the claimant for amounts expended by claimant in order to cover Respondents short position on October 22, 1987 regarding a trade of S & P Index Puts. Respondents counterclaimed against Claimant as follows:

1. Claimant breached its duty to Respondents by recommending the sale of naked S & P Puts on October 7, 1987 which was unsound investment recommendation;
2. The liquidation of the Respondents account was unauthorized, negligent, and breached the agreement of the parties;
3. Claimant failed to use reasonable means to notify respondents of the margin call and such notice was not made with a reasonable time; and
4. The Claimant had sufficient funds to meet the call if they would of had proper notice.

Claimant contended that the liquidation and cover of the Respondents account was in accord with the terms of the client's agreement and its acts and statements regarding the Respondent's account were proper.

RELIEF REQUESTED

Claimant requested \$35,553.25 in damages and dismissal of all Respondents counterclaims. Respondents requested \$59,261.69, plus interest, and the dismissal of Claimants claims.

PROCEDURAL SUMMARY

On or about November 15, 1988 Claimant filed its Statement of Claim with the NASD. On June 15, 1989 the undersigned arbitrators heard the controversy between the parties set forth in the submissions to the arbitration signed by Paul J. Maggio on behalf of the Claimant on November 13, 1987 and by the Respondents on February 24, 1988. The hearing was held at the J. W. Marriott Hotel in Houston, Texas and was heard in three sessions.

AWARD

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:

The claims of the Claimant and the Counterclaims of the Respondents are hereby dismissed in full. Claimant is assessed forum costs in the amount of \$1,200 and an adjournment fee of \$100.00 payable to the NASD through its staff counsel, less the \$400.00 previously deposited by the Claimant. The parties shall bear their own costs including attorneys' fees.

Arbitrators Concurring

Dated: 6/23/89 /S/ Gerald E. Jolin, Esq.
Presiding Chair

Dated: 6/25/89 /S/ Sharon Jevert Hemphill, Esq.

Dated: 6/30/89 /S/ Robert M. Birenbaum

Date Served: 7/6/89

