

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Arbitration Matter Between

REZA AND AZITA SHEYBANI

Claimants

v.

FIRST COMMERCE INVESTMENT SERVICE, INC.
AND NATIONAL FINANCIAL SERVICES
CORPORATION

Respondents

Case No. 87-02662

CASE SUMMARY

Claimants, Reza and Azita F. Sheybanis ("Sheybanis") alleged that First Commerce Investment Services, Inc. ("First Commerce") and National Financial Services Corporation ("National") (First Commerce and National are collectively referred to herein as "Respondents") failed to properly execute their order on October 19, 1987 to sell 3,000 shares of Genentech at the market.

First Commerce alleged that it properly executed Sheybanis trade on Genentech by promptly placing Sheybanis sell order with National who had contracted with First Commerce to clear and execute all of First Commerce's orders. First Commerce alleged that its only part in the Sheybanis transaction was to relay the sell order to National which was done accurately and promptly.

In response to Sheybanis' claim, National alleged as follows:

1. Denies each and every claim of the Sheybanis;
2. National had no direct contact with the Sheybanis and had no knowledge of any communications between First Commerce and the Sheybanis;
3. Unusual market conditions prevailed at the time Sheybanis' order was received;
4. National placed Sheybanis' order in a proper and timely manner; and
5. National had no control over the market and Sheybanis could have placed a limit order.

RELIEF REQUESTED

Sheybanis requested that damages of \$20,250.00 be awarded to them jointly and severally against First Commerce and National. First Commerce and National requested that the claim of the Sheybanis be dismissed.

PROCEDURAL SUMMARY

On December 18, 1987, Sheybanis filed their Statement of Claim against Respondents. Arbitrators heard the controversy as submitted in the uniform submission agreements executed on December 7, 1987 by Reza Sheybani and Azita Sheybani, on March 11, 1988 by Dale A. Kaliszeski on behalf of First Commerce, and by Jeffrey R. Larsen on March 17, 1988 on behalf of National. The matter was heard in four sessions in New Orleans, Louisiana.

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:

1. Sheybanis are awarded the following sum against National Financial Services Corporation:

Fifteen Thousand Seven Hundred and Fifty dollars and no cents (\$15,750.00) plus the legal judgment rate of interest on said amount which was effective on October 20, 1987 in the State of Louisiana, commencing on October 20, 1987 and accruing until this award is satisfied.

Pursuant to Section 43 of the NASD Uniform Code of Arbitration Procedure National is hereby assessed \$1,600.00 in forum fees payable to the NASD through its staff counsel. Sheybanis' shall be refunded the \$400.00 filing fee previously deposited with the NASD.

The claim against First Commerce made by the Sheybanis' is hereby dismissed;

Arbitrators Concurring

Dated: 7-25-89

/S/ Daniel Eugene Bivins, III
Presiding Chair

Dated: 7-26-89

/S/ Dr. James H. Baskett, III

Dated: 7-25-89

/S/ Robert R. Wolf

Date Served 7-31-89