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NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

: In the Matter of the Arbitration Between : : Securities Settlement Corp. : : Whitehall Securities, Inc. : : Claimants : : vs. : : Mehesh C. Mittal : : Respondent : : vs. : : Peter Gamby : : Third Party Respondent . : :	CASE #87-02879 AWARD
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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 31, 1987 Claimants Securities Settlement Corp. and Whitehall Securities, Inc. alleged the Respondent Mehesh C. Mittal had a deficit in his account primarily due to his short position in index put options. Respondent Mehesh C. Mittal maintained the Claimants Securities Settlement Corp. and Whitehall Securities, Inc. and Third Party Respondent Peter Gamby, Claimant's agent and President of Whitehall Securities, Inc. were negligent in the handling of his account and breached their fiduciary obligations by failing to fully and faithfully execute the Respondent's orders, and by reversing and cancelling trades ordered executed by Respondent and unilaterally liquidating his account without Respondent's knowledge or consent and by failing to act in the best interest of the Respondent. Respondent further maintained both Claimants failed to obtain certificates of authority to transact business in Virginia, and that Claimant Whitehall Securities and Third Party Respondent Peter Gamby are not registered as broker dealers in Virginia and have been transacting business in violation of Virginia Law and that Claimant Securities Settlement Corp., the clearing broker for Whitehall Securities, Inc., has been aiding and abetting Whitehall Securities, Inc. and is liable under the theories of participant liability and clearing broker liability. Claimant Securities Settlement Corp. maintained notice of the liquidation of Respondent's account was not required under the express terms of the contracts executed by the Respondent and such liquidation was in accordance with the contractual agreement. Respondent Securities Settlement Corp. further maintained that it acted as clearing agent for Claimant Whitehall Securities, Inc. on a fully disclosed basis and neither executed transactions nor accepted orders from Respondent or Whitehall Securities, Inc. for Respondent's account. Claimant Securities Settlement Corp. further maintained that pursuant to the clearing agreement it is entitled to indemnification from Whitehall Securities, Inc. in the full amount of any award, plus legal fees and expenses. Claimant Whitehall Securities, Inc. and Third Party Respondent Peter Gamby maintained it was not obliged to obtain a certificate of authority to transact business in Virginia and if it was, failure to do so, would merely bar prosecution in Virginia under Virginia Stock Corp. Act Section 13 1-758. Claimant Whitehall Securities, Inc. and Third Party Respondent Peter Gamby further maintained the Respondent Mehesh C. Mittal was given notice of the margin call.

RELIEF REQUESTED

Claimant Securities Settlement Corp. requested damages of \$116,230.71 plus interest, costs and attorneys' fees, and award dismissing the counterclaims as to it, or in the alternative, and award against Whitehall Securities, Inc. and Peter Gamby jointly and severally for the full amount of any award in favor of Respondent against Securities Settlement Corp; an award against Whitehall Securities, Inc. for the full amount of legal fees and expenses relating to its defense of Respondent's counterclaims and the costs of the arbitration and such other and further relief as may seem just.

Claimant Whitehall Securities, Inc. requested damages of \$116,230.71 plus interest, costs and attorneys' fees and dismissal of the counterclaim against it and Claimant Whitehall Securities, Inc. and Third Party Respondent Peter Gamby requested if there be an award against Peter Gamby and/or Whitehall Securities, Inc. in favor of Mehesh C. Mittal, based on an alleged fault of Securities Settlement Corp., an award in an equal amount be granted in favor of Peter Gamby and/or Whitehall Securities, Inc. against Securities Settlement Corp. Third Party Respondent Peter Gamby also requested dismissal of the Third Party Claim against him.

Respondent Mehesh C. Mittal requested dismissal of the Statement of Claim and damages against Claimants Whitehall Securities, Inc. and Securities Settlement Corp. and Third Party Respondent in the amount not less than \$600,000.00 together with interest, and cancellation of all outstanding margin or deficit calls or other claims by Claimants against him plus costs and disbursements of the proceeding.

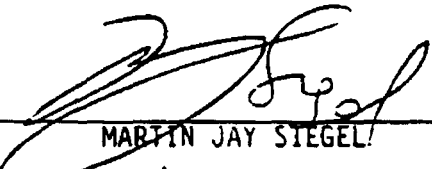
AWARD

On March 2, 3, 30, December 20, 21, 1989 and June 13, 14, 1990 the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Securities Settlement Corp. on December 31, 1987 and by Claimant Whitehall Securities, Inc. on December 21, 1987 and by Respondent Mehesh C. Mittal on March 11, 1988 and by Third Party Respondent Peter Gamby on December 20, 1989. The hearing was held at the offices of the National Association of Securities Dealers, Inc. located in New York, NY and consisted of fourteen (14) hearing sessions. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined by majority decision in full and final resolution of the issues submitted for determination as follows:

1. All Claims, Counterclaims, Cross-Claims and Third Party Claims by all parties be and hereby are dismissed in all respects.

2. The parties shall each bear their respective costs, including attorney's fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedures, the National Association of Securities Dealers, Inc. shall retain the \$750.00 filing fee previously deposited by the Claimants. In addition, the Claimant Whitehall Securities, Inc. be and hereby is liable and shall pay to the National Association of Securities Dealers, Inc. the sum of \$4,875.00 to represent forum fees and the Claimant Securities Settlement Corp. be and hereby is liable and shall pay to the National Association of Securities Dealers, Inc. the sum of \$4,875.00 to represent forum fees.

CONCURRING ARBITRATORS


MARTIN JAY SIEGEL


HENRY H. BALTER


ALLEN KILIK


DOMENICK L. NATALE


VICTOR ALVAREZ

DATED: JULY 31, 1990