

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

CRAIG M. NELSON

Claimant

and

FIDELITY INVESTMENT & NATIONAL FINANCIAL
SERVICES CORPORATION

Respondent

CASE NO. 88-00140

CASE SUMMARY

Craig M. Nelson ("Claimant") alleges that Fidelity Investment and National Financial Services ("Respondents") executed claimant's order and closed out two positions which were: Long 3 November XMI 460 puts and Short 1 November XMI 445 put, on October 20, 1987, the day following the crash. Claimant alleges that the premiums on these trades were "absolutely ludicrous" and "ridiculously high premiums." The Claimant alleges that "the market makers either decided not to make a market or just to greedily and with no conscience, steal from the public." Claimant alleges that the premiums should have been "consistent."

Respondent National Financial alleges that it gave no interest advice or recommendation to Claimant, nor did Respondent National Financial ever discuss the function of the XMI or its intended correlation to the Dow Jones Industrial Index. Respondent National Financial affirmatively states that it does not engage in proprietary trading in these securities, and acted only as agent in the disputed transactions. Further, Respondents state that "Claimant's price disputes would be better directed at the entity or entities who are in the unique position to examine and respond to the issues raised. "The Respondent National Financial denies that it wrongly executed these transactions at a disadvantageous price.

RELIEF REQUESTED

Claimant requests damages in the amount of \$3,000.00 or whatever premium is deemed fair.

Respondent requests that the claim be dismissed.

AWARD

On January 16, 1990, the undersigned arbitrator reviewed the pleadings submitted between the parties as set forth in submissions to arbitration signed on February 12, 1990 by Claimant Craig M. Nelson, and not by the Respondent as required by Section 8 of the NASD, Inc. of the Code of Arbitration Procedure.

The arbitrator pursuant to Section 13 of the NASD Code of Arbitration Procedure ("Simplified Arbitration") having considered the pleadings presented, has decided in full and final resolution of the issues submitted for determination as follows:

1. The Statement of Claim submitted by Craig M. Nelson is dismissed in its entirety;

2. Each party shall bear its own costs, including attorneys' fees;

3 Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$100.00 filing fee previously deposited with the NASD by the Claimant Craig M. Nelson.

By the Arbitrator

Dated: 2/5/90

/s/ *Roland Santoni*
Roland Santoni, Esq.