

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of Arbitration Between)
SRI VENTKATESWARA ENTERPRISE)
Claimant)
v.) NASD No. 88-00646
MERRILL LYNCH, PIERCE, FENNER)
& SMITH, INC. & ALLEN LOVE et al)
Respondents)

CASE SUMMARY

SRI Ventkateswara Enterprise, a partnership ("Claimant") alleged that Merrill Lynch, Pierce, Fenner & Smith, Inc. and Alan Love (collectively referred to herein as "Respondents") were negligent in failing to timely inform it of its margin position. Further, Respondents breached their agreement when they liquidated the securities the Claimant deposited with them to cover the margin call.

Respondents denied the claims of the Claimant and further alleged that the Claimants claims are barred by the doctrines of estoppel, ratification, contributory negligence, and failure to state a cause of action.

Respondents counterclaim against the Claimant for the recovery of the Claimants debit balance. Further, Respondents made a third party claim against all the partners of the SRI partnership for the outstanding debit balance that the Claimant has with Merrill Lynch.

RELIEF REQUESTED

Claimant requested damages of \$86,646.00.

Respondents requested that all of the claims of the Claimant be dismissed and that they be awarded damages of \$15,705.69 plus interest and cost against the Claimant's partners.

3/12/90

AWARD

On May 12, 1988 the NASD received the Statement of Claim from the Claimant. On October 30, 1989 the undersigned panel heard the controversy between the parties as set forth in the submissions to arbitration executed on the dates and the persons set forth below:

K. Rukmini - 1/2/90
Lakshmi Achalla - 2/17/89
Rekha Kanna - 1/2/90
Bhunkar Reddy, individually and as custodian
for Sashaur Reddy, and Saranya Kurapati - 12/27/89
Ramana Reddy - 1/4/89
Bibas Reddy - 1/4/89
Hari Reddy - 1/4/90
SVP Degala - 12/21/89
Djita Degala - 12/21/89
Achalla L.N. Murthy - 10/10/89
Kumara Prathipati - 2/17/88
Lakshmi Prathipati - 4/19/88
Kanna Venkanna - 2/6/88
Allan E. Love - 7/22/88
William Love on behalf of Merrill Lynch, Pierce,
Fenner & Smith, Inc. - 7/22/88

The hearing was held in two sessions in Chicago, Illinois. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims asserted by the Claimants against the Respondents are hereby dismissed;
2. All counterclaims asserted by Merrill Lynch against the Claimant's partners are hereby dismissed;
3. The parties shall bear their own attorneys' fees and costs;

4. Pursuant to Section 43 of the NASD Code of Arbitration Procedure the NASD shall retain the \$500.00 deposit made by the Claimant.

Dated:

3/1/90

BY THE PANEL

S/S

Gordon B. Schneider
Gordon B. Schneider, Esq.
Presiding Chair

Dated:

S/S

N.A. Giambalvo, Esq.

Dated:

S/S

Forrest D. Laidley, Esq.

4. Pursuant to Section 43 of the NASD Code of Arbitration Procedure the NASD shall retain the \$500.00 deposit made by the Claimant.

BY THE PANEL

Dated: _____

S/S

Gordon B. Shneider, Esq.
Presiding Chair

Dated: 2/28/90

S/S

N.A. Giambalvo, Esq.

Dated: _____

S/S

Forrest D. Laidley, Esq.

4. Pursuant to Section 43 of the NASD Code of Arbitration Procedure the NASD shall retain the \$500.00 deposit made by the Claimant.

BY THE PANEL

Dated: _____

S/S _____
Gordon B. Shneider, Esq.
Presiding Chair

Dated: _____

S/S _____
N.A. Giambalvo, Esq.,

Dated: FEBRUARY 28, 1990

S/S Forrest D. Laidley
Forrest D. Laidley, Esq.

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