

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	)	
Javid S. Shemirani	)	
Alicia Shemirani	)	
J.S. Investment Co.	)	
	)	
Claimants	)	
vs.	)	AWARD
	)	
PaineWebber, Inc.	)	NASD NO. 88-02014
John Zohr	)	
	)	
Respondents	)	

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on June 22, 1988. Claimant alleged: breach of implied duty of care, negligence, lack of suitability and excessive trading in the purchase and sale of options in their accounts.

Respondents PaineWebber denied all substantive allegations of claim and asserted the following affirmative defenses: 1) failure to state a cause upon which relief may be granted; 2) good faith action and compliance with all applicable rules and regulations by respondent; 3) no causal relationship between acts of respondent and damages; 4) estoppel; 5) ratification and affirmance of conduct; 6) claimants' damages were caused, in whole or in part by their own conduct; 7) lack of standing; 8) failure to mitigate damages; 9) laches; 10) statute of limitation; 11) lack of reasonable reliance; 12) authorization; 13) assumption and acceptance of the risk; and 14) waiver.

Respondent Zohr denied all substantive allegations of the claim, alleging claimants' investment advice from outside sources and that he stayed in contact with claimants regarding the trading of their accounts.

DAMAGES AND RELIEF REQUESTED

Claimants requested:

1. Compensatory damages of \$145,000.00;

2. Special damages;
3. Prejudgment interest;
- 4. Punitive damages of \$145,000.00;
5. Costs.

#### DAMAGES AND RELIEF AWARDED

On January 29, 1991, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants on June 20, 1988 and by Respondents PaineWebber on November 18, 1988 and John Zohr on March 7, 1989. The hearing was conducted in San Francisco, California and lasted two sessions. 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. All claims are dismissed.
2. The claim for punitive damages is dismissed.
3. The parties shall each bear their respective costs including attorneys' fees.
4. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$750.00 filing fee previously deposited by the claimants as an assessment of forum fees by the arbitrators. In addition, Respondents are jointly and severally assessed fees of \$750.00 representing charges for forum fees payable to the NASD, Inc.

#### ARBITRATORS CONCURRING

DATE SERVED: 02/21/91

Robert L. Brunzell  
Robert Brunzell, Esq.

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Paula Ho-Walper

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Victoria Roberts

2. Special damages;
3. Prejudgment interest;
- 4. Punitive damages of \$145,000.00;
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Robert Brunsell, Esq.

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*Paula Ho-Walper*  
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