

In the Matter of the Arbitration Between		}	Case #88-02374
Charles Schwab & Co., Inc.	Claimant/ Counterrespondent		
vs.		}	Award
Malay Pravin Nathwani and Gira Pravin Nathwani	Respondents/ Counterclaimant		

Claimant alleged that between October 1, 1987 and October 16, 1987, Claimant, under the instructions of Respondents, purchased and sold various stocks and options for the account of Respondents including S&P index options, and expended sums of money for such purchases and sales. Claimant alleged that by reason of such purchases and sales, and according to a written agreement between Claimant and Respondent, and NASD and SEC Rules, Claimant was forced to liquidate Respondents' account. Claimant alleged that Respondents became indebted to Claimant in the sum of \$7,557.00. Respondent Malay Nathwani alleged that he had written index options and that when he did not meet the margin requirement prior to October 13, 1987, Claimant should have automatically liquidated some positions. Respondent alleged that Claimant had time to liquidate Respondents' positions, were not caught in a position where liquidating the positions was not possible, and that Claimant owes him money. In reply to Respondent's counter-claim, Claimant 1) denied every allegation and asserts that the counterclaim is unintelligible, uncertain and not subject to response; 2) alleged that the counterclaim fails to state facts sufficient to constitute a claim upon which relief can be granted; 3) alleges that Respondents have "unclean hands"; 4) alleges that Respondents are not entitled to compensatory damages, attorneys' fees, costs of suit or any other relief; 5) alleges that Respondents have, by their conduct, waived any and all rights that Respondents may have against Claimant; 6) alleged that the alleged loss of Respondents was proximately caused by their own conduct or negligence; 7) that Respondents ratified the accounts and transactions complained of; 8) alleged that any negligence of the parties must be compared to determine the degree of fault, if any, and the damages sustained by the parties, if any, must be reduced and apportioned in relationship to the degree of fault, if any; 9) alleged that at all times relevant, Claimant was in compliance with federal regulations concerning Respondents' account; and 10) alleged that Respondents failed to mitigate damages.

Claimant requested: 1) \$7,557.00 principal; 2) \$1,233.00 in accrued interest from October 16, 1987; 3) attorneys' fees in the amount of \$4,155.00; 4) costs in the amount of \$186.00; 5) such other and further relief as the arbitration panel considers proper. Respondent Malay Nathwani stated that Claimant owes him money, but did not specify an amount.

AWARD

On June 13, 1989, the undersigned arbitrator heard the above controversy between the parties. Counsel for Claimant/Counterrespondent, and Respondent/Counterclaimant Malay Pravin Nathwani appeared at the hearing and consented to jurisdiction of the National Association of Securities Dealers. Respondent Gira Pravin Nathwani, duly notified of the arbitration and hearing dates, and subject to the jurisdiction of the National Association of Securities Dealers, Inc., pursuant to Section 12 of the Code of Arbitration Procedure, did not appear at the arbitration hearing. The hearing was held in Los Angeles, California and consisted of one session. The arbitrator, 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. Respondents/Counterclaimants are liable for and shall pay to Claimant/Counterrespondent the sum of Seven-Thousand, Five-Hundred, Fifty-Seven Dollars and No Cents (\$7,557.00), plus accrued interest in the amount of One-Thousand Two-Hundred, Twenty-Three Dollars and No Cents (\$1,223.00). Said liability is joint and several.

2. Pursuant to paragraph 14 of the Terms and Conditions governing Respondents' account, Respondent/Counterclaimants are liable for and shall pay to Claimant/Counterrespondent attorneys' fees in the amount of Four-Thousand, One-Hundred, Fifty-Five Dollars and No Cents (\$4,155.00) and costs in the amount of One-Hundred, Eighty-Six Dollars (\$186.00). Said liability is joint and several.

3. Each and every counterclaim of Respondents is dismissed.

4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$700.00 filing fee previously deposited by the Claimant.

.....

PRESIDING ARBITRATOR

DATE SERVED: 07/28/89



Aaron Fenton