

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Merrill Lynch, Pierce,  
Fenner & Smith

Claimant

vs.

Roohollah Salari, M.D.

Respondent

AWARD

CASE NO. 88-02590

SUMMARY OF ISSUES

This case was filed on July 8, 1988 by Claimant Merrill Lynch, Pierce, Fenner & Smith (Merrill) and an Answer and Cross Claim was filed by Roohollah Salari, M.D. (Dr. Salari) on October 12, 1988.

Claimant (Merrill) alleges that in August 1987, Respondent (Dr. Salari) sold 500 shares of Occidental Petroleum, and with the proceeds purchased 4785 shares of Reebok on margin. The price of the Reebok fell, and Dr. Salari's account was sold out, resulting in a debit balance of \$7,474.80, which remains unpaid.

Dr. Salari contends that he had no intention of purchasing the position on margin. He alleges that he attempted to reduce his position in Reebok to between 500 and 1000 shares but was told by Merrill to hold onto it.

Subsequently, the prices of the shares fell and his position was sold out.

Merrill contends that they advised Dr. Salari to sell prior to the sell-out but Dr. Salari steadfastly refused to do so.

DAMAGES AND RELIEF REQUESTED

Merrill seeks \$7,474.80, interest, costs and attorneys' fees.

Dr. Salari counter claims for \$50,000.00 and punitive damages.

DAMAGES AND RELIEF AWARDED

On June 7, 1989 and July 11, 1989, in Los Angeles, California, the undersigned arbitrators heard, in 3 sessions, the controversy between the parties as set forth in submissions to arbitration signed by Claimant Merrill Lynch, Pierce, Fenner & Smith, and by Respondent Roohollah Salari, M.D. 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. Dr. Roohollah Salari is liable and shall pay to Merrill Lynch

Pierce, Fenner & Smith the sum of Seven Thousand Four Hundred Seventy-four Dollars and Eighty Cents (\$7,474.80).

2. Roohollah Salari's Cross Claim against Merrill Lynch, Pierce, Fenner & Smith is dismissed.

3. Roohollah Salari is assessed and shall pay to the National Association of Securities Dealers an adjournment fee of \$100.00.

4. The parties shall each bear their respective costs including attorneys' fees.

5. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. (NASD) Code of Arbitration Procedure, the NASD shall retain the \$200 filing fee previously deposited by the Claimant.

ARBITRATORS CONCURRING

DATE SERVED: 08/21/89

Delores I. Smith, Esq.  
Delores I. Smith, Esq.

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Lionel Heller

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Luiz Ruiz