

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
)	
Drs. Kutumbarao & Lakshmi Vemulapalli,)	
)	
Claimants)	Case #88-03151
)	
vs.)	Award
)	
)	
Fidelity Brokerage Services, Inc.,)	
)	
Respondent)	

CASE SUMMARY

Claimants allege that Respondent breached its fiduciary duty to them when it failed to timely notify them of the status of an order to sell Nov 320 puts at 135 which was placed on October 19, 1987, and improperly liquidated their account causing him to sustain monetary damages.

Respondent denies the allegations and alleges that it acted reasonably under their contract and the market conditions that existed at the time.

RELIEF REQUESTED


Claimants request that the panel award them \$283,256.34, interest, costs and attorney's fees. Respondent requests that the panel dismiss the claim and award it attorney's fees.

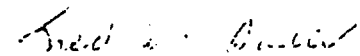
AWARD

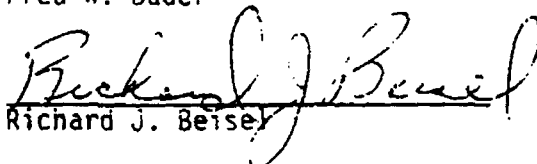
On September 11 and 12, 1989, the undersigned arbitrators heard the controversy between the parties as set forth in a submission to arbitration signed by Claimants, Drs. Kutumbarao and Lakshmi Vemulapalli, on October 10, 1988 and by Respondent, Fidelity Brokerage Services, Inc., on June 1, 1989. The hearing was held in Pittsburgh, Pennsylvania and consisted of three 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 asserted by the Claimants against the Respondent are hereby dismissed in their entirety.
2. The parties shall each bear their respective costs including attorneys' fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$750.00 filing fee previously deposited by the Claimant and Claimant is further assessed \$375.00. Respondent is \$1,125.00. All forum costs shall be made payable to the NASD and directed to its staff counsel.

CONCURRING ARBITRATORS


A. Ralph Ellis, Esq.


Fred W. Bader


Richard J. Beiser

Dated: October 11, 1989