

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of Arbitration Between

Mary Beth Pappas

Claimant

vs.

CASE #88-03234  
AWARD

Stan Aslanian

L.F. Rothschild & Co.

Respondents

vs.

Robert Fairbrother

Third-party  
Respondent

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CASE SUMMARY

Claimant, Mary Beth Pappas, alleges that on October 6 and 7, 1987 she instructed respondents to liquidate her accounts and that they failed to do so. As a result of their failure, Claimant alleges that she sustained a loss.

Respondent, L.F. Rothschild & Co. (Rothschild), denies the allegations and alleges that it was the clearing agent for Haas Securities Corp., the broker/dealer with which Claimant maintained her account. Rothschild interposes a Counterclaim against the Claimant based upon the fact that as clearing agent, it extended margin credit to Claimant and despite numerous demands for payment, Claimant failed to satisfy the debt. Rothschild also interposes a Cross-Claim against Respondent Stan Aslanian and a Third-party Claim against Robert Fairbrother for indemnification should the panel find liability on the part of Rothschild.

Respondent, Robert Fairbrother, denies the allegation and denies that he was the registered representative who serviced Claimant's accounts.

Claimant in response to the Counterclaim denies for the margin debit balance that the signature on the Customer Agreement is not hers.

RELIEF REQUESTED

Claimant requests that the arbitration panel award her \$41,809.88, dismiss the Counterclaim and grant her any other relief that the panel deems just and proper. Respondent L.F. Rothschild & Co. requests that the arbitration panel finds as follows:

- dismiss the claims against it;

- award it \$24,374.88 plus interest from September 30, 1988, on its Counterclaim against Claimant;
- should the panel find that Rothschild is liable to Claimant or that she should be relieved from her margin debit, Rothschild requests that Aslanian and Fairbrother be required to indemnify Rothschild; and,
- that costs be assessed against Claimant, Stan Aslanian and/or Robert Fairbrother.

Respondent Robert Fairbrother requests that the panel dismiss all claims against him and that costs be assessed against L.F. Rothschild & Co., Stan Aslanian and/or Claimant.

#### AWARD

On December 27, 1989 and January 15, 1990 the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant, Mary Beth Pappas on October 18th, 1988, and by Respondent L.F. Rothschild & Co., Unterberg & Towbin on January 6th, 1989 and by Third-party Respondent Robert Fairbrother on March 27th, 1989. Respondent Stan Aslanian did not execute a Submission Agreement or appear at the hearing. The hearing was conducted in New York City, NY and consisted of three sessions. The arbitration panel, having considered the pleadings, the testimony, and evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Stan Aslanian is hereby liable to the Claimant in the amount of Thirty-Four Thousand, Five Hundred and Eleven Dollars and Seventy Cents (\$34,511.70).
2. Respondent Aslanian shall pay Claimant Seven Thousand, Seven Hundred and Sixty Four Dollars and Ninety-Eight Cents (\$7,764.98) which represents interest at a rate of nine percent (9%) from October 1, 1988 to April 1, 1990.
3. Claimant is hereby liable to L.F. Rothschild on the Counterclaim in the amount of Twelve Thousand, One Hundred and Eighty-Seven Dollars and Ninety-Four Cents (\$12,187.94).
4. Claimant is liable and shall pay L.F. Rothschild One Thousand, Nine Hundred and Seventy-Four Dollars and Thirty-Six Cents (\$1,974.36) in interest at a rate of nine percent (9%) from October 1, 1988 to April 1, 1990.
5. Respondent Stan Aslanian is hereby liable to L.F. Rothschild on the Crossclaim and shall pay Twelve Thousand, One Hundred and Eighty Seven Dollars and Ninety-Four Cents (\$12,187.94).

6. Respondent Stan Aslanian is liable and shall pay L.F. Rothschild One Thousand, Nine Hundred and Seventy-Four Dollars and Thirty Six Cents (\$1,974.36) in interest at a rate of nine percent (9%) from October 1, 1988 to April 1, 1990.
7. The Third-party Claim against Robert Fairbrother is hereby dismissed in its entirety.
8. The claim against L.F. Rothschild is hereby dismissed in its entirety.
9. The parties shall each bear their respective costs including attorneys' fees.
10. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$500.00 filing fee previously deposited by the Claimant.
11. Pursuant to Section 43 of the Code of Arbitration Procedure, Claimant Mary Beth Pappas is further assessed \$250.00 and Respondent L.F. Rothschild & Co. is assessed \$750.00 in forum costs, which shall be made payable to the National Association of Securities Dealers, Inc.

OTHER ISSUES

Respondent Stan Aslanian did not appear at the hearing. Based upon the evidence introduced at the hearing as part of Arbitrators Exhibit No. 1 regarding hearing notices to parties and pursuant to Section 12(a) and 29 of the Code of Arbitration Procedure, this arbitration panel finds that proper notice exists as well as jurisdiction and therefore proceeded with the hearing in Stan Aslanian's absence.

ARBITRATOR CONCURRING

  
Paul E. Barr

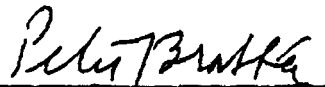
Dated: April 19, 1990

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ARBITRATOR CONCURRING

  
Peter Brabbe

Dated: April 24, 1990

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ARBITRATOR CONCURRING

  
Murray I. Sommer

Dated: April 27, 1990