

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between		}	AWARD
Oppenheimer & Co,	Claimant/Counter Respondent		
vs.			
Peter and Anna Katz	Respondent(s)/ Counter Claimants		
			CASE NO. 88-03607

SUMMARY OF ISSUES

This case was filed on November 21, 1988. Claimant/Counterrespondent alleged that Respondents/Counterclaimants opened an account with Claimant and executed a Customer Agreement, Option Agreement and other agreements in connection with the account. Claimant/Counterrespondent alleged that the activity of the account was primarily confined to options, that all transactions were authorized by Respondents/Counterclaimants, that as a result of the decline in the market in October, 1987 it became necessary to liquidate all of the positions in the account pursuant to margin requirements resulting in an unsecured debit in the account of \$6,523.85. Respondents/Counterclaimants alleged that Claimant/Counterrespondents are guilty of misrepresentation, placing Respondents in unsuitable investments, unauthorized trades, breach of contract, forgery, churning, and failure to secure the necessary agreements. In reply to Respondents' Counterclaim, Claimant denied the allegations and alleged that Claimant and its agents acted properly in all respects and in accordance with Respondents' wishes and that their losses are solely the result of extraordinary adverse market events in October, 1987.

DAMAGES AND RELIEF REQUESTED

Claimant/Counterrespondent requested an award of \$6,523.85 with pre-judgment interest of \$1,574.91, the costs of this proceeding, punitive damages of no less than \$25,000.00 and such other and further relief as the arbitrators may deem just and proper. Respondents/Counterclaimants requested recovery against Claimant/Counterrespondent in the sum of \$33,000.00 with interest from October 12, 1987, and costs of the arbitration. Claimant/Counterrespondent requested that the Counterclaim be dismissed.

DAMAGES AND RELIEF AWARDED

On August 8, 1989, in Los Angeles, California, the undersigned arbitrators heard in two sessions the controversy between the parties as set forth in submissions to arbitration signed by Claimant/Counterrespondent on November 10, 1988 and by Respondents/Counterclaimants Peter and Anna Katz in the presence of the arbitrators on August 8, 1989. 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. Respondents/Counterclaimants Peter and Anna Katz are liable for and shall pay to Claimant the sum of Six Thousand Five Hundred Twenty-three Dollars and Eighty-five Cents (\$6,523.85), plus accrued interest in the amount of One Thousand Five Hundred Seventy-four Dollars and Ninety-one Cents (\$1,574.91). Said liability is joint and several.

2. Each and every counterclaim of Respondents/Counterclaimants is dismissed.

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

4. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. (NASD) Code of Arbitration Procedure, the NASD shall retain the \$700.00 filing fee previously deposited by the Claimant. Further, pursuant to Section 43, Respondents/Counterclaimants Peter and Anna Katz are jointly and severally liable for forum fees in the sum of \$700.00, to be paid directly to the National Association of Securities Dealers, Inc.

OTHER ISSUES

None applicable.

ARBITRATORS CONCURRING

DATE SERVED: 08/22/89

George M. Wiener

Irving S. Michelman
Irving S. Michelman

Diana G. Davis