

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)

RICHARD RICE)

Claimant)

and)

GENERAL SECURITIES CORPORATION
and BILL BAUM)

Respondents)

CASE NO. 88-03908

CASE SUMMARY

In a claim filed with the NASD on or about December 12, 1988, Claimant Richard Rice alleged that Respondent Bill Baum, a registered representative employed by Respondent General Securities Corporation liquidated a short position in the S&P 500 index without Claimants authorization.

In their joint Answer filed with the NASD on July 5, 1989, Respondents General Securities Corporation and Bill Baum, deny that the liquidation of Claimant's S&P position was unauthorized. Respondents further stated that the Claimant had previously agreed that Respondent Bill Baum had authority to close out positions so that they would not be kept over night and thereby subjecting the Claimant to greater risk.

RELIEF REQUESTED

Claimant requested an award of \$61,325.00, plus interest, expenses and attorneys' fees. Respondent requested that the Statement of Claim be dismissed and that they be awarded their costs and attorneys' fees.

AWARD

On Monday, January 8, 1990 in Kansas City, Missouri during a hearing lasting two (2) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on November 28, 1988 by Claimant Richard Rice on, June 29, 1989 by Bill Baum on behalf of Respondent General Securities Corporation and on June 29, 1989 by Respondent Bill Baum.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents General Securities Corporation and Bill Baum shall be and hereby are jointly and severally liable for and shall pay to Claimant Richard Rice the sum of \$7,750.00 (Seven Thousand Seven Hundred Fifty Dollars and No Cents);
2. No interest is awarded on the above stated sum;
3. Each party shall bear its own respective costs and expenses incurred in this matter including attorneys' fees not specifically enumerated herein; and
4. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$500.00 filing fee previously deposited with the NASD by the Claimant Richard Rice. Respondents shall directly reimburse Claimant this \$500.00 filing fee and shall pay to the NASD \$1,000.00 as forum fees.

Dated: <u>3/22/90</u>	By the Panel /S/ <u>Robert W. Wasserstrom</u> Presiding Chair
Dated: _____	/S/ _____
Dated: _____	/S/ _____

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By the Panel

Dated: _____ /S/ _____
Presiding Chair

Dated: March 22, 1990 /S/ Charles T. J. [Signature]

Dated: _____ /S/ _____

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By the Panel

Dated: _____

/S/ _____
Presiding Chair

Dated: 3-26-90

/S/ Fred Lantz

Dated: _____

/S/ _____