

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Philips Roth as Executor of The
Estate of Marvin Roth

Claimant

vs.

J.S.C. Securities, Inc.

Respondent

CASE #89-00373
AWARD

CASE SUMMARY

Claimant alleged that Respondent failed to advise him that trading index options was more risky and volatile than trading stock options. He contends he did not understand the premiums during trades handled around October 19, 1987. Respondent maintained that Claimant is a knowledgeable and sophisticated businessman, investor and trader with a substantial net worth as to whom trading was appropriate. Further, during October 1987, Claimant was aware of the volatility of the market, the nature of put options and the risks inherent in being short puts (or long calls) in a declining market.

RELIEF REQUESTED

Claimant seeks \$445,760.24, plus interest. Respondent seeks dismissal and costs.

AWARD

On April 24, June 14 and July 13, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on January 5, 1989 and by Respondent on March 31, 1989. The hearing was conducted at the offices of the NASD located in Philadelphia, PA and consisted of four (4) hearing 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 arbitration as follows:

1. All claims by the Claimant are denied.
2. The parties shall each bear their respective costs, including attorney's fees;
3. Filing fees and additional fees per session shall be paid equally by the Claimant and the Respondent. Therefore, 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 shall assess an additional \$750.00 against Claimant, and assess \$1,500.00 against Respondent towards the administration costs.

ARBITRATORS CONCURRING

/s/ _____
John J. Jordan

/s/ _____
Albert Mancini, Jr.

/s/ _____
Mary Ann M. Melchiorre

DATED: July 19, 1990

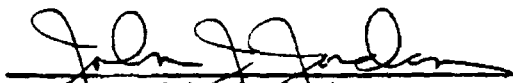
2. Filing fees and additional fees per session (\$750.00 per session) shall be paid equally by Claimant and Respondent.

3. The parties shall each bear their respective costs, including attorney's fees;

5. 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 shall assess an additional \$750.00 ~~per session~~ against Claimant Respondent towards the administration costs.

add \$1,500 against

ARBITRATORS CONCURRING


John J. Jordan


Albert Mancini, Jr.


Mary Ann M. Melchiorre

DATED: July 13, 1990