

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Gerene P. Lombardini

Claimant

vs.

Ravindra D. Phadnis

Respondent

AWARD

CASE NO. 89-01357

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on May 9, 1989. Claimant alleged that Respondent recommended investments that were unsuitable to Claimant's stated investment goals and objectives, including option spreads and other strategies; that Respondent caused Claimant's IRA funds to be converted to her general account thereby incurring a tax liability in addition to losses suffered; and that Respondent engaged in transactions in Claimant's account for the primary purpose of generating commissions.

Respondent denied the allegations and maintained that all transactions were authorized by either Claimant or her accountant to whom Claimant had given the power of attorney for discretionary trading.

DAMAGES AND RELIEF REQUESTED

Claimant requested damages, as amended at the hearing, in the amount of \$59,392.71 including 8% interest, and attorneys' fees of \$10,000.00.

Respondent requested dismissal of the claim.

DAMAGES AND RELIEF AWARDED

On June 22, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on April 27, 1989. Respondent Ravindra D. Phadnis declined to sign a submission agreement form but stated to the arbitrators that he submitted to this forum and the present matter under controversy. The hearing was conducted in Seattle, Washington and lasted two 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. Claimant is hereby awarded the sum of Forty-Four Thousand Dollars and No Cents (\$44,000.00) representing actual damages plus interest at 8% through June 30, 1990; the damages awarded in this action

are to be set-off against any sum received by Claimant from third parties in connection with the claims alleged in this matter.

2. The claim for attorneys' fees is dismissed.

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

4. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$500.00 filing fee previously deposited by the Claimant. In addition, Respondent is assessed the sum of \$500.00 representing forum fees to be paid to the National Association of Securities Dealers, Inc. directly.

OTHER ISSUES

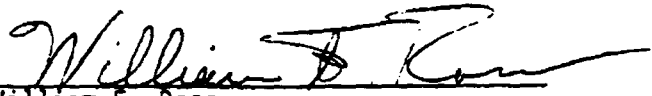
The parties stipulated to the execution and service of the award in counterpart copies.

PRESIDING ARBITRATORS

DATE SERVED: 07/23/90

Robert M. Stein

Willard E. Skeel, Jr.



William F. Ross