

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :
Northwest Netex Pension Trust :
Claimant : Case #89-01892
vs. : AWARD
Gilbraltar Securities Company :
Respondent :

CASE SUMMARY

Claimant Northwest Netex Pension Trust alleged that on October 1, 1987 it instructed Respondent Gilbraltar Securities Company to liquidate its investment in the Putnam Option Income Trust II Fund. Claimant alleged that Respondent negligently failed to liquidate this Fund in a timely manner, and due to this negligence the Fund was not liquidated until October 20, 1987.

Respondent Gilbraltar Securities Company contended that liquidation of this Fund required a signed and guaranteed liquidation letter from the Claimant, and, if the account was a corporate account as in this case, a Certificate of Incumbency or valid corporate resolution. Respondent contended that any delay in the liquidation of this account was directly attributable to Putnam Investors Company's delay in providing the Respondent with the appropriate forms needed to liquidate this account. Moreover, Respondent maintained that they acted properly and in a timely manner.

RELIEF REQUESTED

Claimant Northwest Netex Pension Trust requested actual damages of \$10,000.00, plus interest and costs. Respondent Gilbraltar Securities Company requested dismissal of the Statement of Claim in its entirety.

AWARD

On December 19, 1989, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Northwest Netex Pension Trust on June 14, 1989, and by Respondent Gilbraltar Securities Company on September 27, 1989. The hearing was held at the offices of the National Association of Securities Dealers, Inc. in New York City, New York and consisted of one (1) hearing session.

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. Respondent Gibraltar Securities Company be and hereby is liable and shall pay to the Claimant Northwest Netex Pension Trust the sum of Two Thousand Dollars and No Cents (\$2,000.00), inclusive of interest.
2. The parties shall each bear their respective costs including attorney's fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$200.00 filing fee previously deposited by the Claimant as costs of the one (1) hearing session conducted in this matter.

CONCURRING ARBITRATOR


ROBERT SEAMAN, ESQ.

DATED: December 27th, 1989