

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Margaret Ma Tam

89-02733

Name of Respondent(s)

Bateman Eichler, Hill Richards, Inc.
Marc Vraciu

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on November 3, 1989.

Claimant Margaret Ma Tam (Ma Tam) alleges that Respondent Marc Vraciu while employed with by Respondent Bateman Eichler, Hill Richards, Inc. placed a short sale in Ma Tam's account for \$1,000,000.00 of U.S. Treasury Bonds. Ma Tam did not understand the nature of the trade nor that she had any rights or remedies given the unsuitable and unauthorized nature of the trade. The position was covered but at a loss exceeding \$24,000.00.

Respondents allege that Ma Tam is a sophisticated investor and fully accepted the risk of the transaction; that she did not claim the trade was unauthorized until after the transaction lost money and that respondents cannot be held liable simply because Ma Tam's investment decision did not turn out as well as she had hoped.

DAMAGES AND RELIEF REQUESTED

Claimant Margaret Ma Tam seeks to recover losses on the short sale of approximately \$30,000.00; punitive damages according to proof but not less than \$30,000.00, interest, costs and attorneys' fees.

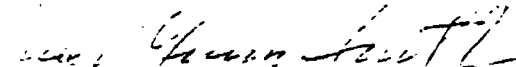
Respondents Bateman Eichler, Hill Richard Inc. and Marc Vraciu seek dismissal of the claim in its entirety.

DAMAGES AND RELIEF AWARDED

On October 23, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Margaret Ma Tam on September 11, 1989 and by Respondent Bateman Eichler, Hill Richards Inc. on November 22, 1989 and by Respondent Marc Vraciu on November 15, 1989.

The hearing was conducted in San Francisco California and lasted 3 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. Respondents Bateman Eichler, Hill Richards Inc. and Marc Vraciu are jointly and severally liable and shall pay to the Claimant Margaret Ma Tam the sum of \$20,000.00.
2. Claimant's claim for interest is denied.
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 \$400.00 filing fee previously deposited by the Claimant as an assessment of forum fees by the arbitrators. In addition, Claimant is also assessed fees of \$1,100.00, representing forum fees. Respondent is assessed \$100.00 as forum fees and shall reimburse Claimant the sum of \$400.00 for the initial filing fee.


Owen Guinn Smith