



N.A.S.D. AWARD

Arbitration

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of  
Securities Dealers, Inc.  
NASD Financial Center  
33 Whitehall Street  
New York, New York 10004

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In the Matter of the Arbitration Between

Name of Claimant:

Taro G. Gehani

90-00521

Name of Respondents:

Fahnestock & Co., Inc.  
Pace Securities, Inc..  
Sentinel Securities, Inc.  
Michael A. Tammucilli

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REPRESENTATION

Claimant's representative at the hearing: Daniel A. Ball, Esq., Sole Practitioner.

For Respondent Pace Securities, Inc. ("Pace Securities"), Respondent Fahnestock & Co. Inc. ("Fahnestock & Co."), and Respondent Michael Tammucilli ("Tammucilli"): Charles Padgett, Esq., in house counsel at Fahnestock & Co.

The representative for Respondent Sentinel Securities, Inc. was Ms. Jessie M. Pollack.

CASE INFORMATION

Claimant filed a Statement of Claim on February 20, 1990 and executed a Submission Agreement on February 16, 1990.

Respondent Fahnestock & Co. and Respondent Pace Securities filed a joint Statement of Answer on May 21, 1990. Respondent Fahnestock executed a Submission Agreement on June 4, 1990. Respondent Pace Securities executed a Submission Agreement on June 4, 1990.

Respondent Tammucilli did not execute a Submission Agreement as required by Section One of the NASD Code of Arbitration Procedure. Respondent Tammucilli filed a Statement of Answer on March 25, 1991. Respondent Tammucilli appeared in person before the panel of arbitrators during the proceedings and was represented by counsel, Mr. Charles Padgett.

Claimant withdrew its claim against Respondent Sentinel Securities and the Estate of Clinton Pollack on July 8, 1991.

HEARING INFORMATION

Hearing Dates/Sessions:

Pre-Hearing Conference	July 8, 1991	one session
Hearing	July 10, 1991	one session
Hearing	July 25, 1991	two sessions
Hearing	September 26, 1991	two sessions
Hearing	September 27, 1991	two sessions
TOTAL:		eight sessions

Hearing Location: NASD Offices located in Washington, D.C.

CASE SUMMARY

Claimant alleged that Respondents owed him interest on certain transactions in which securities were sold short as well as for losses sustained by Claimant as a result of Respondents' buy-back of certain securities which had been sold by Claimant. Further, Claimant alleged that principal and interest including quarterly dividends on certain bonds were not received by him and/or properly credited to the account.

Claimant also alleged that Respondents failed to follow his instructions on certain transactions involving the transferring, purchase and oversubscription of certain securities. Finally, Claimant alleged that Respondents made unauthorized transactions of certain securities in his account.

Respondents Fahnestock & Co., Pace Securities and Mr. Tammucilli maintained that Claimant was not owed interest on the subject transactions, that the transactions were unsolicited and that they executed such transactions in accordance with the rules governing short selling. They also asserted a counterclaim that Claimant's account had an unsecured debit balance.

RELIEF REQUESTED

Claimant requested \$101,053.22 in compensatory damages, \$52,559.49 in interest, plus attorney's fees and costs.

Respondents Fahnestock & Co., Pace Securities, and Tammucilli requested dismissal of the claim, damages on their counterclaim in the sum of \$1097.73, costs and attorney's fees.

AWARD

After considering the pleadings, the testimony, the evidence presented at the hearing and post hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. That Respondents Fahnestock & Co. and Pace Securities are jointly and severally liable and shall pay to the Claimant the sum of \$44,189.00, inclusive of interest.
2. That Respondents' counterclaim is dismissed in its entirety;
3. That all claims against Respondent Tammucilli are dismissed in their entirety, and
4. That each side is to bear its own costs, including attorney's fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, Forum Fees of \$6000.00 are assessed. This amount was computed as follows:

8 sessions X \$750.00/session

The parties are to bear this amount as follows:

Claimant Gehani is assessed the sum of \$2000.00 in forum fees but will receive a credit of \$750.00 for his hearing session deposit. He therefore owes the sum of \$1250.00.

Respondent Fahnestock & Co. is assessed and owes the sum of \$2000.00 for forum fees.

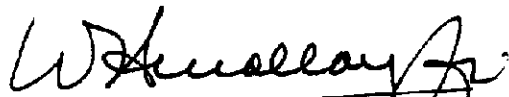
Respondent Pace Securities, Inc. is assessed and owes the sum of \$2000.00 for forum fees.

The Claimant shall pay to the NASD the sum of \$200.00 as a nonrefundable claim filing fee, which is outstanding. The Respondents shall pay to the NASD the sum of \$475.00 as a nonrefundable claim filing fee on their counterclaim, which remains outstanding. (The Respondents have previously paid the NASD the sum of \$25.00 on their counterclaim.)

Fees are payable to the National Association of Securities Dealers, Inc.

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Concurring Arbitrators' Signature:

A handwritten signature in cursive script, appearing to read "W. H. Malloy, Jr.", written over a horizontal line.

William H. Malloy, Jr., Esq.  
Public Arbitrator/Chairperson

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Concurring Arbitrators' Signature:

  
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Thomas Corey, Esq.  
Public Arbitrator

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Concurring Arbitrators' Signature:

John W. Rader, Sr.  
John W. Rader, Sr.  
Industry Arbitrator

Dated: January 30, 1991