

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	)	
Wedbush Morgan Securities, Inc.	)	
	)	Claimant &
	)	Counter-Respondent
vs.	)	AWARD
	)	
	)	NASD #90-01300
Edward Mars	)	
Tammie Mars	)	
	)	
	)	Respondents &
	)	Counter-Claimants
	)	

**REPRESENTATION**

Claimant Wedbush Morgan Securities was represented by Terry Ross, Esq. of Keesal, Young & Logan, Long Beach, California. Respondents Edward and Tammie Mars were represented by Mitchell C. Green, Esq. of Los Angeles, California.

**SUMMARY OF ISSUES**

Claimant alleged a debit balance in Respondents' account arising from the purchase of four positions in short term S&P 100 puts entered at the market prior to market opening on October 16, 1989.

Respondents denied liability for the debit balance because of Claimant's breach of fiduciary duty, negligence and unauthorized placement of the put orders at market prices. Respondents alleged the purchase had been authorized at specified price limits.

**DAMAGES AND RELIEF REQUESTED**

Claimant requested damages of \$93,189.29 inclusive of interest, and costs of arbitration.

Respondents requested dismissal of the claim, and an award on the counterclaim of approximately \$20,800 representing money in Respondents' account held as a set-off against the debit balance, interest from October 17, 1989 to date, attorney's fees, expert witness fees and costs of arbitration.

**DAMAGES AND RELIEF AWARDED**

This claim was filed with the NASD on May 8, 1990. On May 13 and 14, 1991, the undersigned arbitrators heard the

controversy between the parties as set forth in submissions to arbitration signed by Claimant on May 2, 1990, and by Respondents on June 29, 1990. The hearing was conducted in Los Angeles, California and lasted four (4) 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 as follows:

1. Respondents are liable for and shall pay to Claimant the sum of \$19,430.00 plus interest at 10% from the date of this award until paid.

2. Claimant is also awarded the net credit balance in the Respondents' account #030 297410 181 with Wedbush.

3. The counter-claim, including the claim for punitive damages, is denied in its entirety.

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

5. 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. Claimant is assessed additional forum fees of \$1,500.00.

OTHER ISSUES

*May 20, 1991*

None.

ARBITRATORS CONCURRING

DATE SERVED: 5/28/91

*Herman R. Friedberg*  
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Herman R. Friedberg