

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Rudrapatna Govindaraju

Case#90-01320

Name of Respondent(s)

Otra Clearing, Inc.
J.F. Lowe & Co. Inc.
Rick Greenstein
Kevan Arthur Watkins
Castleton Rhodes, Inc.

Heard before the Arbitrator:

Guy E. (Sandy) Burnett, Jr.

CASE SUMMARY

This claim was filed with the National Association of Securities Dealers, Inc. (NASD) on May 9, 1990. The hearing was conducted in Tampa, Florida on December 11, 1990, with a total of one session.

Claimant, Rudrapatna Govindaraju ("Govindaraju"), alleged that Respondents, Otra Clearing, Inc. ("Otra"), J.F. Lowe & Co., Inc. ("J.F. Lowe"), Castleton Rhodes, Inc. ("Castleton"), Rick Greenstein ("Greenstein") and Kevan Watkins ("Watkins"), were liable for failing to credit his account with monies deposited for the purchase of certain warrants.

Respondent, Otra, alleged that it received an order from J.F. Lowe to sell the warrants for failure to pay prior to receiving Claimant's check and that Claimant's check was applied to offset the debit created by the Claimant's failure to pay and J.F. Lowe's subsequent sell out. Otra asserted the affirmative defenses of: failure to state a claim; and compliance with the terms of its agreement with J.F. Lowe.

Respondent, Castleton, alleged that Claimant's account came to Castleton after the alleged infraction and Castleton is not the successor firm to J.F. Lowe.

Respondent, Greenstein, alleged that he had only one conversation with Claimant when Greenstein answered the phone while cleaning out his office as a result of J.F. Lowe ceasing operations and merely confirmed that Claimant's check had been received.

Respondent, Watkins, alleged that Claimant did not send in the money for the purchase by settlement and was sold out of his position by the clearing firm.

Respondent, J.F. Lowe, failed to file an Answer and did not appear at the hearing to defend.

RELIEF REQUESTED

Claimant requested damages in the amount of \$801.69.

Respondent, Otra, requested dismissal of the claim plus costs, and attorney's fees. Respondents, Castleton, Greenstein and Watkins, requested dismissal of the claim.

AWARD

On December 11, 1990, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on May 5, 1990, and by Respondents, Otra, on June 18, 1990, Castleton on April 27, 1990, Greenstein on July 9, 1990 and Watkins on December 10, 1990, and not signed by Respondent, J.F. Lowe, as required pursuant to Section 12 of the NASD Code of Arbitration Procedure, Respondent, J.F. Lowe, being an NASD member firm at the time this controversy arose. Having considered the pleadings, the testimony, and the evidence presented at the hearing and Respondents, J.F. Lowe and Castleton, neither appearing at the hearing nor seeking an adjournment thereof, notwithstanding their notice of this arbitration as evidenced in the record of proceedings, this arbitrator has determined in full and final resolution of the issues submitted for determination as follows:

2. Respondents, Otra, Castleton, Greenstein and Watkins, are found not liable and, therefore, all claims against them are hereby dismissed.

3. Respondent, J.F. Lowe, is found liable and shall pay to the Claimant the amount of Seven Hundred Sixty Five and 00/100 (\$765.00) Dollars.

4. Respondent, Otra's requests for attorney's fees and costs are denied.

5. Pursuant to Section 43 of the Code of Arbitration Procedure, the Arbitrator has assessed forum fees in the amount of Fifteen and 00/100 (\$15.00) Dollars (1 session x \$15.00). Respondent, J.F. Lowe, is hereby assessed Fifteen and 00/100 (\$15.00) Dollars payable directly to the Claimant as a return of his filing fee. The NASD shall retain the Fifteen and 00/100 (\$15.00) Dollars previously deposited by the Claimant in full satisfaction of such forum fees. Respondents, Otra, Greenstein and Watkins, are hereby assessed Twenty Five and 00/100 (\$25.00) Dollars, jointly and severally, for rental of the speaker phone to be paid directly to the NASD, Inc.

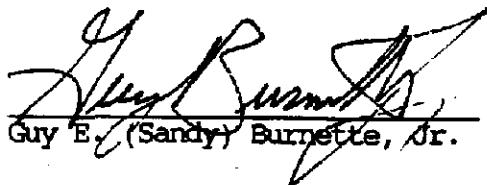
6. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including attorney's fees.

OTHER ISSUES

1. Jurisdiction exists pursuant to Section 12 of the Code and pursuant to the Uniform Submission Agreement signed by Respondent Castleton.

2. For the reasons set forth in the record of proceedings and contained in Arbitrator's Exhibit #2, this Arbitrator finds service upon and adequate notice to Respondents, J.F. Lowe and Castleton Rhodes. The NASD, Inc. has made every attempt to locate and serve Respondents, J.F. Lowe and Castleton Rhodes with Notice of this hearing as demonstrated by the evidence contained in Arbitrator's Exhibit #2.

ARBITRATORS CONCURRING



Guy E. (Sandy) Burnette, Jr.

Date of Decision: March 25, 1991