

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Rajendrakumar Gandhi and
Mangala Nadkarini n/k/a
Mangala Gandhi

and

No. 91-01406

Name of Respondents

Quick & Reilly, Inc.
Donna Crawley

REPRESENTATION OF PARTIES

For Claimants: Rajendrakumar Gandhi

For Respondents: Joseph Corso

CASE INFORMATION

Statement of Claim filed: on or about May 3, 1991.

Claimants' Submission Agreement signed on: May 1, 1991
by: Rajendrakumar Gandhi and Mangala Gandhi.

Joint Statement of Answer and counterclaim filed by Respondents,
Quick & Reilly, Inc. and Donna Crawley on or about: June 28,
1991.

Respondent Quick & Reilly, Inc.'s Submission Agreement signed on:
July 24, 1991 by: Thomas C. Quick, President.

Respondent Donna Crawley's Submission Agreement signed on: July
2, 1991.

Claimants' Amendment to their Statement of Claim filed: on or
about October 7, 1991.

Respondents' response to Claimants' Amendment filed: on or about
October 28, 1991.

HEARING INFORMATION

Hearing date: December 5, 1991
Location: Chicago, Illinois

CASE SUMMARY

Claimants Rajendrakumar Gandhi and Mangala Gandhi ("Claimants") alleged violation of Federal Regulation T, and breach of fiduciary duty on the part of Respondents Quick & Reilly, Inc. and Donna Crawley ("Respondents") arising from the failure of Respondents to notify Claimants of margin calls, or notify Claimants of their margin balance which directly led to Claimants' damages. Claimants further alleged that Respondents failed to execute Claimants' orders to correct errors in Claimants' account. Claimants have also alleged that Respondent Quick & Reilly has wrongfully frozen Claimants' IRA account because of margin debt incurred due to Respondents' error in executing a trade for 5,000 shares of Adaptec, Inc. instead of the 500 that were requested. In order to cover the margin debt created by Respondents' error, Respondents had wrongfully liquidated 5,500 shares of Claimants holdings in American Ecology Corp.

In their joint Statement of Answer, Respondents alleged that a Regulation T call had been issued to the Claimants on or about August 13, 1990 which had requested additional funds to cover the Adaptec, Inc. purchase of shares on or about August 10, 1990. Respondents further denied that an error had been made in entering Claimants' Adaptec, Inc. order.

In their joint counterclaim, the Respondents alleged an unsecured debt remaining in Claimants' account due to the Claimants' trades in Adaptec, Inc., and further alleging that Claimants have failed to cover the remaining margin debt despite demand for payment. Respondents went on to state that the American Ecology Corp. shares had been liquidated to cover Claimants' margin debt as called for in the margin agreement previously executed by the Claimants and Respondent Quick & Reilly, Inc.

RELIEF REQUESTED

Claimants requested that the panel award them \$26,312.50, and Claimants further requested that the panel require the Respondents to restore their equity position held (5,500 shares) in American Ecology Corp.

Respondents requested that the panel deny all relief requested in Claimants' Statement of Claim. Respondents further requested, in their counterclaim, that the panel award them the unsecured debt that is still outstanding in Claimants' account in the amount of

\$6,005.82 plus margin interest from August 1990 to the present, as well as all filing fees and costs involved in this arbitration.

OTHER ISSUES CONSIDERED & DECIDED

At the hearing, Respondents made a motion to dismiss the Claimants' Regulation T claim, on the basis that Claimants' Claim was not specific as to which sub-parts of Regulation T Respondents had violated. After hearing argument from both parties, and deliberation, the panel took Respondents' motion under advisement, and would rule on the motion at the time of the award.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD.

AWARD

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

1. Claimants Rajendrakumar Gandhi and Mangula Gandhi's claims are hereby denied and dismissed, except as follows;
2. Respondent Quick & Reilly, Inc. is hereby ordered to release Claimants' IRA account, with Respondent, at the direction of the Claimant;
3. Respondents Quick & Reilly, Inc. and Donna Crawley are assessed all forum fees for this arbitration; and
4. Claimants Rajendrakumar Gandhi and Mangala Gandhi are liable for, and shall pay to the Respondent Quick and Reilly, Inc. the sum of \$6,005.82 as satisfaction for Respondent Quick & Reilly, Inc.'s counterclaim.

FORUM FEES

Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the NASD shall retain the filing fee in the amount of \$100.00, and shall retain the original hearing session deposit in the amount of \$400.00 previously paid to the NASD by the Claimants.

Respondents Quick & Reilly, Inc. and Donna Crawley are jointly and severally liable for, and shall pay to Claimants Rejendrakumar Gandhi and Mangala Gandhi the hearing session deposit previously paid to the NASD in the amount of \$400.00.

Pursuant to Section 43 (c) of the NASD Code of Arbitration Procedure, Respondents Quick & Reilly, Inc. and Donna Crawley are jointly and severally liable for, and shall pay to the NASD the sum of \$400.00 for the second hearing session held on December 5, 1991.

Pursuant to Section 44 (c) of the NASD Code of Arbitration Procedure, the NASD shall retain the counterclaim filing fee in the amount of \$500.00, and shall retain the counterclaim hearing session deposit in the amount of \$300.00 previously paid by the Respondents Quick & Reilly, Inc. and Donna Crawley.

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

Dated:

December 5, 1991

John R. Wylie
John R. Wylie
Presiding Chair
Public Arbitrator

December 5, 1991

Howard Eglit
Howard Eglit
Public Arbitrator

December 5, 1991

William C. Burnside
William C. Burnside
Industry Arbitrator