

## N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of  
Securities Dealers, Inc.  
NASD Financial Center  
33 Whitehall Street  
New York, N.Y. 10004  
FAX (212) 858-4389

In the Matter of the Arbitration Between

Name of Claimant

Edward W. Carroll

vs.

Case #  
91-02460

Name of Respondent

T. Rowe Price Investment Services, Inc.

REPRESENTATION

For Claimant: Pro se.

For Respondent: James D. Mathias, Esq. of Piper &amp; Marbury.

CASE INFORMATION

Statement of Claim filed: August 06, 1991.

First Amended Statement of Claim filed: November 18, 1991.

Second Amended Statement of Claim dated: November 23, 1991.

Claimant's Reply filed: January 06, 1992.

Claimant's Submission Agreement signed on: August 05, 1991.

Statement of Answer filed by Respondent on: September 20, 1991.

Answer to First and Second Amended Statement of Claim filed: December 26, 1991.

Respondent's Submission Agreement signed on: September 19, 1991.

HEARING INFORMATION

Hearing Date/Hearing Sessions: January 30, 1992 - Two sessions.

Hearing Location: Boston, Massachusetts.

CASE SUMMARY

Claimant, Edward W. Carroll, alleges that Respondent, T. Rowe Price Discount Brokerage, negligently handled his account by allowing him to invest in index options, mostly XMI. Claimant further alleges that he sustained a sizeable loss of \$60,000.00, which was to be used for the down payment on his house during October, 1988.

Respondent denies liability. Respondent alleges that it provides discount brokerage service and does not give investment advice to its customers. Respondent further alleges that Claimant represented that he had an annual income and liquid net worth of \$45,000.00, that his investment objectives were growth and speculation and that he had experience in options trading. Respondent contends that each and every trade in Claimant's account was unsolicited.

#### RELIEF REQUESTED

Claimant requests that the arbitration panel award him \$125,000.00 which includes trading losses, finance charge for replacement of funds to Respondent, interest from October 1988 and treble damages.

Respondent requests that the claims be denied in their entirety.

#### OTHER ISSUES CONSIDERED AND DECIDED

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 received conformed copies of the Award while the originals remain on file with the NASD.

By letter dated October 18, 1991, Respondent moved to change the situs of the hearing from Boston, Massachusetts to Baltimore, Maryland. Claimant objected to the Motion and this Panel denied the Motion.

#### AWARD

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

1. All claims asserted by Claimant against the Respondent are denied in their entirety.

#### FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed and deposits paid shall be applied to the fees assessed.

1. The NASD has received and shall retain \$200.00 non-refundable filing fee paid by the Claimant;
2. The NASD has received and shall retain the \$750.00 hearing session

deposit paid by the Claimant;

3. Claimant is assessed \$250.00 non-refundable filing fee and shall receive a credit of \$250.00;

4. Forum fees in the amount of \$1,500.00 for two hearing sessions at \$750.00 per session ( $\$750.00 \times 2$  hearing sessions = \$1,500.00) are assessed and shall be borne equally by the parties;

5. Therefore, Claimant is assessed \$750.00 and shall receive a credit of \$750.00;

6. Respondent is assessed \$750.00 and shall remit said amount to the NASD.

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

Concurring Arbitrator's Signature  
Name

Public/Industry

Lucy J. Karl  
Lucy J. Karl, Esq.

Public

Date of Decision: March 5, 1992

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

Concurring Arbitrator's Signature

Name

  
David E. Marsan, Esq.

Public/Industry

Public - Chairperson

Date of Decision: March 5, 1992

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

Concurring Arbitrator's Signature

Name

L. A. Gelfand  
Linda A. Gelfand

Public/Industry

Industry

Date of Decision: March 5, 1992