

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Vasiliki Douglas

NASD Arbitration  
No. 91-03235

Name of Respondents

Thomas F. White & Co.  
Kong Go

REPRESENTATION

For Claimant: Irwin Stein

For Respondent: Patrick Baldwin, Esq. - Menlo Park, California

CASE INFORMATION

Statement of Claim filed: October 16, 1991

Claimant's Submission Agreement signed on: September 5, 1991

Statement of Answer and Counterclaim filed by Respondent, Thomas F. White & Co. Inc. on: December 30, 1991

Statement of Answer filed by Respondent, Kong Go, on December 26, 1991

Respondent, Kong Go's Submission Agreement signed on: December 20, 1991

HEARING INFORMATION

Pre-Hearing Conference: July 23, 1992 - One Session

Hearing Dates/Sessions: August 18, 1992 - Two Sessions  
August 19, 1992 - Two Sessions

Hearing Location: San Francisco, California

CASE SUMMARY

Claimant, Vasiliki Douglas (Douglas) alleged that Respondent, Kong Go (Go), while employed by Respondent, Thomas F. White & Co. Inc. (White), churned Douglas' account by excessively trading to generate commissions. Douglas also alleged that Go had complete control over said account. Douglas also claimed against White for failure to supervise.

Respondent, Go, alleged that Douglas was fully aware of the risks involved in options trading and had wanted to invest more speculatively for greater returns. Respondent, White, alleged that Douglas executed a "Limited Trading Authorization" in favor of White. The Limited Trading Authorization authorized and instructed White to follow the instructions of Go, in every request concerning Douglas' account with White. Douglas also agreed to indemnify and hold White harmless from any and all claims of loss which may result from White's reliance on the authorization.

White also crossclaimed for sanctions against Douglas for bringing a frivolous claim.

#### RELIEF REQUESTED

Claimant requested compensatory damages of \$21,000.00 and reasonable recovery fees of \$7,000.00

Respondent, White, requested dismissal of the claim in its entirety and sanctions for bringing a frivolous claim.

Respondent, Go, requested dismissal of the claim in its entirety.

#### OTHER ISSUES CONSIDERED & 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 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 post hearing submissions (if any), the undersigned arbitrator(s) has/have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents, Thomas F. White & Co., Inc. and Kong Go, are jointly and severally liable and shall pay to Claimant, Vasiliki Douglas, the sum of Forty Five Thousand Dollars and Zero Cents (\$45,000.00).
2. The parties shall each bear their respective costs and fees including attorneys'/recovery fees.

#### FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed: \$400.00 USD

1. Respondents are jointly and severally assessed and shall pay to the NASD the sum of \$1,900.00 representing assessments for one pre-hearing conference at \$300.00 and four regular hearing session fees at \$400.00 each.

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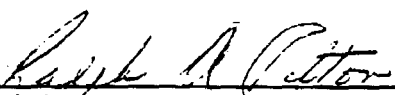
Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATORS

me

Public/Industry  
Public Arbitrator  
Public Arbitrator  
Industry Arbitrator

Concurring Arbitrators' Signatures

  
\_\_\_\_\_  
Ralph A. Cotton

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Date of Decision: \_\_\_\_\_

Served Oct. 14, 1992

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