

## 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

Farouk Soliman

91-03556

Name of Respondent

Q & R Clearing Corp.

REPRESENTATION

For Claimant: Stuart Kaufman, Esq. of Fisch & Kaufman.

For Respondent: Thomas J. McCabe, Esq., a sole practitioner.

CASE INFORMATION

Statement of Claim filed: November 12, 1991.

Claimant's Submission Agreement signed on: November 25, 1991.

Statement of Answer filed by Respondent, Q & R Clearing Corporation k/n/a/  
U.S. Clearing Corp. on: February 14, 1992.

Respondent, Q & R Clearing Corp.'s Submission Agreement signed on: February  
14, 1992.

HEARING INFORMATION

Pre-Hearing Conference: June 9, 1992.

Hearing Dates/Sessions: June 10, 1992 - Two Sessions.  
June 11, 1992 - Two Sessions.  
July 13, 1992 - One Session.

Hearing Location: NASD, New York City, New York.

CASE SUMMARY

Claimant alleged that he maintained an account with the Respondent. Claimant alleged that, as was his practice, in or about October, 1987, he had a number of outstanding open orders. Claimant alleged that as a result of the increasing market decline, he placed an order to cancel all of his open orders. Claimant alleged that his orders were acknowledged and were later verified that afternoon.

Claimant alleged that several days later, he discovered that his orders had not been cancelled, and that the Respondent had purchased more than one million dollars worth of stock, the bulk of which was bought on margin. Claimant alleged that his account was liquidated, despite his protestations, and that he suffered heavy losses as a result.

Respondent denied that the Claimant ever cancelled his open orders. Respondent maintained that the Claimant's sell orders were executed when the market declined. Respondent maintained that they liquidated the Claimant's account only after the Claimant told them he could not pay for the securities purchased. Respondent maintained that the Claimant had executed a Margin Agreement which specifically authorized the Respondent to take this action.

RELIEF REQUESTED

Claimant requested: Damages in the amount of \$406,551.00, interest in the amount of \$167,329.00 and attorney's fees in the amount of \$30,000.00.

Respondent requested: The claim be dismissed in its entirety and that costs, including attorney's fees, be assessed against the Claimant.

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 originals remain on file with the NASD.

AWARD

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

1. The Claim is hereby denied in its entirety.
2. Each parties shall bear their respective costs of this action, including attorney's fees.
3. All other claims and counterclaims, if any, are hereby denied.

FORUM FEES

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

Filing Fee = \$250.00

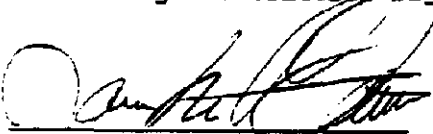
Pre-hearing conference = \$300.00

5 sessions X \$750.00 = \$3,750.00

TOTAL: \$4,300.00

1. The forum fees of \$4,300.00 are hereby assessed against the Claimant and the Respondent equally. Therefore, the Claimant is liable for forum fees in the amount of \$2,150.00 and Respondent is liable for forum fees in the amount of \$2,150.00.
2. Claimant is entitled to offset this amount with his previously paid filing fee and hearing session deposit of \$1,250. Therefore, Claimant is liable and shall pay to the NASD the balance of \$900.00 (NINE HUNDRED DOLLARS). Respondent is hereby liable and shall pay to the NASD the sum of \$2,150.00 (TWO THOUSAND ONE HUNDRED FIFTY DOLLARS).

Concurring Arbitrator's Signature



James M. Baumann, Esq.

Public Chairperson

Date of Decision August 13, 1992

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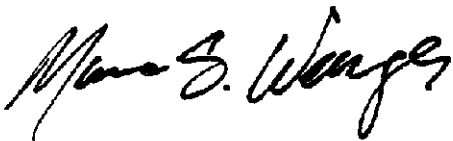
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Concurring Arbitrator's Signature

  
Howard L. Mandell, Esq.

Public Arbitrator

Date of Decision August 13, 1992



MARC S. WENGER  
Notary Public, State of New York  
No 31-4937128  
Qualified in New York County *off*  
Commission Expires June 20, 1997

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Concurring Arbitrator's Signature

  
Joseph R. Brancalona

Industry Arbitrator

Date of Decision August 13, 1992