

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Czar Enterprise

NASD Arbitration

No. 91-04144

Name of Respondent(s)

Pacific Brokerage Services, Inc.

REPRESENTATION

For Claimant: Igor Cherednichenko, Czar Enterprise, San Francisco, California

For Respondent: James R. Kruger, Pacific Brokerage Services, Inc., Los Angeles, California and Stephen P. Bedell, Esq., Gardner, Carton & Douglas, Chicago, Illinois

CASE INFORMATION

Statement of Claim filed: December 26, 1991

Claimant's Submission Agreement signed: December 24, 1991

Statement of Answer filed by Respondent: June 25, 1993

Respondent's Submission Agreement signed: June 25, 1993

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s):
February 1, 1994 (one session)

Hearing Date(s)/Session(s): August 4, 1994 (two sessions)

Hearing Location: San Francisco, California

CASE SUMMARY

Claimant alleged that Respondent wrongfully liquidated shares of York Research Corp. (York) stock with respect to Claimant's margin account.

Respondent denied any liability to Claimant and alleged that when Claimant's account equity dropped to an unacceptable level, Respondent took the appropriate action necessary to secure its margin loan and that the liquidation of shares in Claimant's account was well within Respondent's contractual rights.

RELIEF REQUESTED

Claimant requested that the sell of 4000 shares of York stock be cancelled, and sold at \$10.00. In addition, Claimant requested damages in the amount of \$10,000.00.

Respondent requested dismissal of Claimant's claims.

OTHER ISSUES CONSIDERED AND DECIDED

On February 1, 1994, a majority of the panel reviewed and considered the written and oral positions of the parties relative to Respondent's Motion to Dismiss. The Motion was denied.

The parties have agreed that the Award in this matter may be executed in either 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 National Association of Securities Dealers, Inc. (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. All claims by Claimant are dismissed.
2. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall refund the \$400.00 hearing session deposit previously deposited by the Claimant. Forum fees are assessed against: Respondent in the amount of \$1,100.00, calculated as follows: One pre-hearing session times \$300.00/session plus two hearing sessions times \$400.00/session.

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

ARBITRATORS

Name _____ Public / Industry

Michelle Brant, Esq.

Public Arbitrator

Maurice Arth

Public Arbitrator

Lawrence N. Kummer

Industry Arbitrator

Concurring Arbitrators' Signatures

Michelle Brant, Esq.
Michelle Brant, Esq.

Maurice Arth

Lawrence N. Kummer

Date of Decision: _____

Date Served 08/22/94