

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant

Gulzar Vali

NASD Arbitration
No: 93-01237

Name of Respondents

U.S. Securities Clearing Corporation
W. Brady Houghton

REPRESENTATION

For Claimant: J. Jeffrey Morris, Esq. - Santa Monica, California

For Respondents: In Pro Se

CASE INFORMATION

Statement of Claim filed: March 30, 1993

Claimants' Submission Agreement signed: March 26, 1993

Statement of Answer filed by Respondent, W. Brady Houghton - May 24, 1993

Statement of Answer filed by Respondent, U.S. Securities Clearing Corp. - May 6, 1993

Submission Agreement signed by Respondent W. Brady Houghton - May 24, 1993

Submission Agreement signed by Respondent U. S. Securities Clearing Corp.- May 6, 1993

HEARING INFORMATION

Hearing Dates / Sessions: May 9, 1994 - Two Sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant, Gulzar Vali (Vali) alleged that Respondent, W. Brady Houghton (Houghton), while employed by Respondent, U. S. Securities Clearing Corporation (USS), coerced Vali into buying interests in a penny stock by making false promises. Vali also alleged that the investments were unsuitable, and that trades were made on margin without Vali's authorization.

Respondents alleged that all trades made were authorized and that trades on margin were effected in the cash portion of said account which had been transferred from another brokerage to USS. Respondents also deny that any promises regarding the trades were made to Vali.

RELIEF REQUESTED

Claimant seeks to recover compensatory damages of \$7,650.00, unspecified punitive damages, interest and costs.

Respondents seek dismissal of the claim in its entirety, costs and attorneys fees.

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 receive conformed copies of the Award while the original remains on file with the NASD.

AWARD

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

1. Each and every claim of Claimant, Gulzar Vali, against Respondent, W. Brady Houghton, is dismissed with prejudice.
2. Each and every claim of Claimant, Gulzar Vali, against Respondent, U. S. Securities Clearing Corporation, is dismissed with prejudice.
3. The parties shall each bear their respective costs and fees, including attorneys' fees.
4. The NASD shall retain all fees and deposits.

FORUM FEES

No additional fees were assessed.

ARBITRATOR

Name Public / Industry
Robert Ruben, Esq. Public Chairperson

Concurring Arbitrator's Signature


