

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant

Tsvi Harry Estline

NASD Arbitration
No.93-01344

Name of Respondent

Jack White & Company, Inc.
and Steve Conway

REPRESENTATION

For Claimant: Tsvi Harry Estline, pro se

For Respondent Jack White & Company, Inc: Robert O. Reed, Executive Vice President,
Jack White & Company, Inc.

For Respondent Conway: Stephen V. Conway, pro se

CASE INFORMATION

Statement of Claim filed: March 20, 1993

Claimant's Submission Agreement signed: February 23, 1993

Joint Statement of Answer filed by Respondents: July 1, 1993

Respondent White's Submission Agreement signed: July 1, 1993

Respondent Conway's Submission Agreement signed: July 1, 1993

Mr. and Mrs. Estline, Mr. Reed and Mr. Conway appeared at the hearing and testified.

HEARING INFORMATION

Pre-Hearing Conference Date / Session: None.

Hearing Dates / Sessions: October 1, 1993

One session

Hearing Location: San Diego, California

CASE SUMMARY

In his Claim and at the Hearing, Claimant alleged and testified that, in connection with the trading of options in his account #026-226233-1 during ten months in 1992, Respondents violated applicable laws and regulations by executing Claimant's orders to buy and sell options in such account during such ten-month period: (1) without having had him execute an option agreement when he opened a new account in 1992, and (2) without having provided him in 1992 with a booklet disclosing the risks involved in trading in options. Claimant also alleged that Respondents violated the suitability rule by permitting him to make trades in options in 1992 when his changed financial situation made it inappropriate for him to do so. Claimant also alleged that Respondents violated his rights by refusing to execute his order on October 23, 1992 to buy ten LINE Nov 70 calls because Claimant had insufficient funds in his account. Claimant alleged that it had been Respondents' consistent practice during 1992, in all four purchases before October 23, to execute orders placed by Claimant although Claimant had insufficient funds in his account and to permit Claimant to provide the funds the following day. He alleged that Respondents' sudden change their practice without any reason or justification deprived him of the opportunity to realize substantial gains. Testimony at the Hearing established that he would in fact have realized such gains if had purchased the options on October 23, 1992 and held them until the day before expiration.

In their Answers and at the Hearing, Respondents alleged and testified that Claimant originally opened an account in May, 1981 and maintained it until May, 1988, signed an option trading agreement in May, 1981, executed another similar options agreement in November, 1981, disclosed information to them in 1981 that made the trading of options suitable for him then, and actively traded options during that period evidencing sophistication in such trading. They claimed that if Claimant's financial situation changed between 1981 and 1992 in such way as to make the further trading of options unsuitable for him in 1992, he had a duty to advise Respondents and that he did not do so. They admitted that they did not have Claimant execute a new options agreement when he opened a new account in 1992 or supply him with a new disclosure booklet then. They admitted that they refused to execute Claimant's order on October 23, 1992 due to insufficient funds in his account although they had executed all (four) of his earlier purchase orders in 1992 under similar circumstances. They claimed that they were not required to lend Claimant funds on October 23, 1992 because of four instances of making exceptions in his case to their policy against making such loans. They claimed that Claimant should have mitigated his damages, if any, by purchasing later with less profit.

RELIEF REQUESTED

Claimant requested \$5,000.00 compensatory damages.

Respondent requested dismissal of the claim.

OTHER ISSUES CONSIDERED AND DECIDED

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 original remains on file with the NASD.

OTHER ISSUES

Without objection, Claimant's wife was permitted to be present throughout the hearing.

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. Claimant's claims for damages are dismissed.
2. The parties shall each bear their respective costs.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

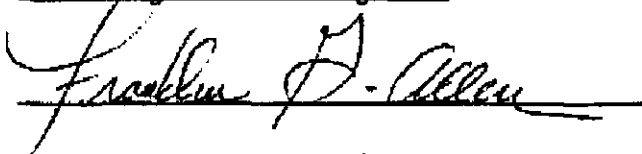
Total fees:
One Session @ \$100.00 / each = \$100.00

Claimant's Hearing Session Deposit, previously deposited is being retained as payment in full for all session fees. No additional forum fees are assessed.

ARBITRATORS

Name	Public / Industry
Franklin G. Allen, Esq.	Public Chairperson

Concurring Arbitrator's Signature



Served 11/23/93