

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Sultan Haque

v

NASD Arbitration No. 93-01725

Spear Rees & Co.

v

Thomas Rees

REPRESENTATION

For Claimant: Jeffrey W. Cowan, Esq., Kendig & Ross, Los Angeles, California

For Respondent & Third-Party Respondent: Mark T. Dooks, Esq., Bird, Marella, Boxer, Wolpert & Matz, Los Angeles, California

CASE INFORMATION

Statement of Claim filed: April 29, 1993

Claimants' Submission Agreement signed: April 20, 1993

Statement of Answer and Third-Party Claim filed by Spear Rees: June 18, 1993

Spear Rees' Submission Agreement signed: June 18, 1993

Thomas Rees' Submission Agreement signed: None submitted.

HEARING INFORMATION

Hearing Dates / Sessions: March 11, 1994 - 2 sessions
March 24, 1994 - 2 sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged unauthorized trading of common stocks on margin.

Respondent Spear Rees denied Claimant's allegations, and asserted that the operation and risks of margin trading were discussed at length with Claimant, as were the specific trades at issue here.

Respondent asserted a third-party claim for indemnification against broker Thomas Rees. Respondent also asserted a counterclaim for malicious prosecution. Claimant responded to the counterclaim by asserting a claim for malicious prosecution was improper until the completion of the underlying action.

RELIEF REQUESTED

Claimant requested damages of \$59,878, plus commissions paid, margin interest paid, interest at the legal rate from March 11, 1992, emotional distress damages, costs of arbitration and attorney's fees.

Respondent Spear Rees requested dismissal of all claims, indemnification from Third-Party Respondent in the event Claimant was awarded damages and \$25,000 damages from Claimant for malicious prosecution.

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, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. All claims asserted by Claimant are dismissed in their entirety.
2. All counterclaims and third-party claims asserted by Spear Rees are dismissed in their entirety.
3. 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 NASD shall retain the \$150 non-refundable filing fee previously paid by Claimant, as well as the \$500 non-refundable filing fee paid by Spear Rees.

Forum fees are assessed as follows:

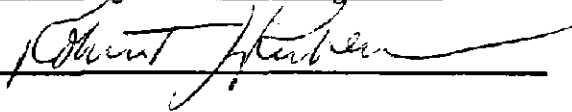
Total fees:		
Four sessions @ \$500 / session	-	\$2,000.00
Claimant's one-half share	-	\$1,000.00
<u>Credit for hearing session deposit</u>	-	<u>\$500.00</u>
Balance due	-	<u>\$500.00</u>
Respondent Spear Rees' one-half share	-	\$1,000.00
<u>Credit for hearing session deposit</u>	-	<u>\$600.00</u>
Balance due	-	<u>\$400.00</u>

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

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Robert J. Ruben	Public Chairperson
Larry Edmonson	Public Panelist
V. Thomas Hale	Industry Panelist

Concurring Arbitrators' Signatures



Served 5/18/94