

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

Tajiddin Shaheed,  
Claimant,

v.

No. 93-03917

Investors Diversified, Inc. d/b/a/ CC&Q,  
Respondent.

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**REPRESENTATION OF PARTIES**

Claimant Tajiddin Shaheed ("Claimant") was represented by William G. Schwall, Esq., Chattanooga, Tennessee.

Respondent Investors Diversified, Inc. d/b/a CC&Q ("Respondent") failed to appear at the hearing.

**CASE INFORMATION**

Claimant's Statement of Claim was filed on or about September 27, 1993. Claimant's Submission Agreement was signed on September 21, 1993.

Respondent's Answer to the Statement of Claim was filed on or about May 25, 1994. Respondent's Submission Agreement was signed on May 25, 1994.

**HEARING INFORMATION**

Hearing date: November 29, 1994. One (1) sessions.

Hearing Location: Memphis, Tennessee.

**CASE SUMMARY**

Claimant alleged that on or about April 7, 1992, Respondent's agent, Henry Weatherstone, purchased 5,000 shares of CIFRA stock on margin. Claimant stated that CIFRA was not eligible to be sold on margin. Claimant further alleged that, a few days after the purchase of CIFRA, Mr. Weatherstone called him, and discussed purchasing CIFRA stock on margin. After the conversation, and after Mr. Weatherstone had promised the Claimant that Respondent would lend Claimant the funds necessary, Claimant agreed to a limited purchase. Claimant asserted that between April 7, 1992, and April 29, 1992, he purchased \$52,803.31 of CIFRA stock on margin. Claimant further stated that on May 13, 1992, he received a demand letter from Respondent in the amount of \$52,803.31. The letter

informed him that his account would be liquidated if Claimant did not pay the money prior to May 15, 1992. Lastly, Claimant alleged that in May of 1992, Respondent liquidated his account for a total loss of \$62,744.35.

In its Answer, Respondent disputed Claimant's claim for \$62,744.35 in damages. Respondent asserted that Mr. Weatherstone had informed Claimant that CIFRA was not marginable, and that Claimant's first purchase of CIFRA had to be paid for before making any additional purchases. Respondent further asserted that Claimant failed to pay for the 30,000 shares of CIFRA. Respondent next asserted that due to a contact by RPR, Respondent had to liquidate Claimant's account due to his failure to pay for the CIFRA purchase. The account was liquidated between May 13 and May 15, 1992. Lastly, Respondent asserted that Claimant had a loss in his account because he chose not to pay for the stock.

### **RELIEF REQUESTED**

Claimants requested an award against the Respondent in the amount of \$62,744.35.

### **OTHER ISSUES CONSIDERED & DECIDED**

Upon review of the file and the representations made by/on behalf of the Claimant, and Respondent's Response to the Statement of Claim, the panel has determined that Respondent has been properly served with the Statement of Claim pursuant to Sections 13 and 25 of the NASD Code of Arbitration Procedure (the "Code"). The panel also determined that Respondent had received due notice of the hearing as required under Section 26 of the Code. After deliberation, the arbitrators ordered the arbitration of the matter to proceed pursuant to Section 29 of the Code.

The parties present at the hearing have agreed that the Award in this matter may be executed by 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(s) 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. Respondent Investors Diversified, Inc. d/b/a CC&Q is liable for, and shall pay to the Claimant, Tajiddin Shaheed, the sum of \$45,000.00 as satisfaction for all of his claims made herein, except as set forth more fully below.
2. Respondent Investors Diversified, Inc. d/b/a CC&Q is liable for, and shall pay

to the Claimant, Tajiddin Shaheed, the sum of \$650.00 as satisfaction of his claim for costs of this arbitration.

**FORUM FEES**

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

1 hearing session @ \$500.00

Pursuant to Section 43(c) of the Code, the NASD shall retain the nonrefundable filing fee in the amount of \$150.00, and shall **RETAIN** the hearing session deposit in the amount of \$500.00 previously paid to the NASD by the Claimant.

**CONCURRING ARBITRATORS**

Dated:

Name:

December 16, 1994

Fred M. Ridolphi, Jr. /s/  
Fred M. Ridolphi, Jr.  
Presiding Chair  
Public Arbitrator

December 28, 1994

Ronald Lee Gilman /s/  
Ronald Lee Gilman  
Public Arbitrator

December 16, 1994

E. Steve Scales /s/  
E. Steve Scales  
Industry Arbitrator

Date of Service by the NASD: 12/29/94