

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Sam Drew

93-04854

Name of Respondents

Schneider Securities, Inc.  
Paul Pinholster

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on November 22, 1993, Claimant Sam Drew, who appeared Pro Se, alleged that Respondent Schneider Securities, Inc. ("Schneider") mistakenly sold out 350 shares of Beta Well Services, Inc. stock from his account to cover a margin call even though he had deposited \$4,000.00 cash to his account days before. Claimant further alleged that employees of Respondent Schneider told him that they made a mistake concerning the sell-out of the investment in question. Claimant contended that Respondent Paul Pinholster "is no longer there". As a result of the above, Claimant alleged that he has suffered damages for which the Respondents should be held liable.

Respondents Schneider Securities, Inc. and Paul Pinholster, through their representative Maurice D. Wise, maintained that Claimant was sold out as a result of a margin call, which was handled properly in every respect. Respondent further maintained that the \$4,000.00 was properly credited to Claimant's account and monetary losses due to margin call liquidations are not recoverable. In their additional submission, Respondents contended that Claimant was allowed an additional 6 days to meet the call, which he failed to do. As a result of the above, Respondents maintained that they should not be held liable in this matter.

**RELIEF REQUESTED**

Claimant Sam Drew requested \$6,000.00 in actual damages.

Respondents Schneider Securities, Inc. and Paul Pinholster requested that the Claimant's claims be dismissed in their entirety.

**AWARD**

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single public arbitrator, Joel S. Arogeti, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on November 19, 1993, by Respondent Schneider Securities, Inc. on January 24, 1994, and by Respondent Paul Pinholster on January 25, 1994.

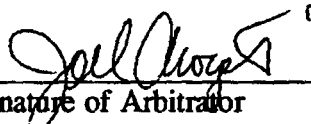
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Schneider Securities, Inc. is liable and shall pay to Claimant Sam Drew \$2,223.96 in actual damages.
2. Respondent Schneider Securities, Inc. is liable and shall pay to Claimant Sam Drew simple interest at the rate of 7% per annum from August 10, 1993 to November 3, 1994.
3. The claims of Claimant Sam Drew against Respondent Paul Pinholster are dismissed in their entirety.
4. The parties shall bear their respective costs.
5. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent Schneider Securities, Inc. is liable and shall pay to Claimant Sam Drew \$150.00 as reimbursement of the filing fee.

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**AFFIRMATION**

I, **JOEL E. AROGETI**, do hereby affirm upon my oath of arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

  
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Signature of Arbitrator

**DATE OF DECISION:**      December 28, 1994