

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

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

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In the Matter of the Arbitration Between

Name of Claimant(s)

Tushar Vashi

94-00993

Name of Respondent(s)

E\*Trade Securities, Inc.

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**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on March 16, 1994, Claimant Tushar Vashi, who appeared Pro Se, alleged that Respondent E\* Trade Securities, Inc. bought without his knowledge 20 OEXMG options, and that when he attempted to complain to the Respondent of the unauthorized trade, he was informed three days later that he was obligated to do what he intended with this option. The Claimant contended that he is a victim of the loose control over personal brokerage accounts, since he was not the individual who placed this order to buy the options, and therefore, due to the wrongdoing of the Respondent, he has incurred losses for which he should be compensated.

Respondent E\*Trade Securities, Inc., through its in-house representative, Thomas C. Laris, President, Palo Alto, CA, maintained in its answer and supplemental answer that there is no evidence or proof that anyone else could have placed the order, since the information given to its broker agreed with the information on Claimant's account. The Respondent further maintained that although it believes no error took place in executing the order to buy 20 OEXMG for the Claimant, it does take responsibility for not selling the option immediately upon the Claimant's notice, and therefore it has corrected the trade to reflect the high bid for the day, resulting in a loss of only \$1485.00. Respondents contended that the Claimant is an active options trader who places several orders a day, and that his claim should be denied.

In reply to the answer, the Claimant refuted the defenses of the Respondent and reiterated that he is entitled to recover the losses he incurred.

**RELIEF REQUESTED**

Claimant, Tashar Vashi, requested \$2,500.00 in actual damages.

Respondent, E\*Trade Securities, requested that the claims of the Claimant be dismissed in their entirety.

**AWARD**

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Norman Bristol, was selected review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on March 8, 1994 and by the Respondent on May 6, 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. That Respondent, E\*Trade Securities, is liable and shall pay to Claimant, Tashar Vashi, \$3,092.00 in actual damages. This amount is to be reduced by any payment made or credit given by the Respondent, E\*Trade Securities, to Claimant based on a redetermination of the sale price as indicated in Respondent's May 17, 1994 letter to the NASD.
2. The Respondent, E\*Trade Securities, shall pay interest at the rate of 9% per annum from January 20, 1994 to the date of payment.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant, Tashar Vashi, shall be retained by the NASD, Inc. Respondent, E\*Trade Securities, is liable and shall pay \$150.00 to the Claimant as reimbursement of the filing fee.

### Affirmation

STATE OF MICHIGAN } SS:

COUNTY OF Kalamazoo

I, Norman Bruch, do hereby affirm upon my oath as arbitrator that I am the individual described in and who executed this instrument, which is my oath and award.

**Signature of Arbitrator**

DATE OF DECISION: July 10, 1995