

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Mahmood Shariff & Ann E. Shariff

95-01235

Name of Respondent

Pacific Brokerage Services Inc.

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REPRESENTATION

Mahmood Shariff and Ann E. Shariff ("Claimants") appeared *pro se* Pacific Brokerage Services, Inc. ("Respondent") was represented by James R. Kruger, Compliance Officer, Pacific Brokerage Services, Inc., Los Angeles, CA

CASE INFORMATION

The Statement of Claim was filed March 10, 1995  
Claimants' Uniform Submission Agreement was signed March 8, 1995

The Statement of Answer was filed July 6, 1995  
Respondent's Uniform Submission Agreement was signed July 7, 1995

HEARING INFORMATION

Hearing date/sessions: April 12, 1996/one session

Hearing Location: Doubletree Hotel  
Baltimore, MD

CASE SUMMARY

Claimants alleged that Respondent failed to execute transactions as requested by Claimants. Claimants alleged that on June 15, 1992 an order for 3,000 shares of Ross Cosmetics ("RCDC") was made to Respondent's New York City Office at a price of \$7.25. Claimants alleged that Respondent confirmed the purchase. Claimants alleged that on June 16, 1992 Claimants called Respondent to inquire about selling the shares of RCDC purchased the previous day. Claimants alleged that they were informed that Respondent had sold the shares the previous day due to a misunderstanding. Claimants alleged that Respondent froze Claimants' account because Respondent thought Claimants wished to transfer all Claimants' assets to an account outside Respondent's firm. Claimants alleged that Claimants' written instructions were to transfer only 200 shares of J&J and

100 shares of MRK to RAF Financial Corporation ("RAF"). Claimants alleged that even though this was Respondent's error, Respondent refused to reinstate the RCDC shares in Claimants' account. Claimants alleged that they have been damaged by the actions of Respondent.

Respondent denied all allegations of wrong doing. Respondent maintained that Respondent received instructions from RAF via the Automated Customer Account Transfer system to deliver Claimants' entire account to RAF. Respondent maintained that Claimants' order for 3,000 shares of RCDC was accepted on June 15, 1992. Respondent maintained that on the same day, June 15, 1992, as soon as the computer indicated that Claimants' account was frozen, the transaction for the RCDC shares was canceled. Respondent maintained that attempts were made to contact Claimants but were unsuccessful until the following day, June 16, 1996. Respondent maintained that any loss suffered by Claimants is the result of the Claimants own actions.

#### RELIEF REQUESTED

Claimants requested relief in the amount of \$6,000.00 and punitive damages in the amount of \$3,500.00.

Respondent requested that the claim be dismissed and judgment entered in Respondent's favor.

#### OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that a handwritten, signed Award may be entered. In this case, the parties have agreed to receive a conformed copy of the Award while the original remains on file with the NASD.

After consideration of a Request from Respondent to appear at the hearing via telephone conference call, the Arbitrator granted the Request.

#### AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable to and shall pay to Claimants the sum of \$750.00.
2. The request for punitive damages is denied.
3. Each party shall pay their own costs and expenses.
4. Any relief not specifically addressed herein is denied.

FORUM FEES

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

1 session x \$200.00 = \$200.00

Forum Fees assessed against Respondent. Respondent is liable to and shall reimburse Claimants for the \$200.00 hearing session deposit previously submitted to the NASD.

Date

Arbitrator's Signature

4/29/96

Bruce Sanders  
Bruce Sanders, Presiding  
Public Arbitrator

Date Decision Served by NASD:

April 30, 1996