

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Roy T. Shannon

95-03991

Name of Respondents

Quick and Reilly, Inc.  
Gus Coutlakis

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REPRESENTATION

Claimant Roy T. Shannon ("Claimant") was represented at the hearing by Morris J. Levin, Esq., Attorney at Law, Washington, DC.

Respondents Quick and Reilly, Inc. ("Quick and Reilly") and Gus Coutlakis ("Coutlakis") were represented at the hearing by Nicholas J. Chohey, Assistant Vice-President, from Quick and Reilly, Inc., New York, NY.

CASE INFORMATION

The Statement of Claim was filed on August 14, 1995.  
Claimant's Submission Agreement was signed on October 10, 1995.

The Statement of Answer was filed by Respondents Quick and Reilly and Coutlakis (collectively referred to as "Respondents") on October 10, 1995.

HEARING INFORMATION

Hearing Dates/Sessions: April 24, 1996 - two sessions  
Hearing Location: NASD Executive Office, Washington, DC

CASE SUMMARY

Claimant alleged, among other things, that Coutlakis had failed to execute a trade in accordance with his instructions which resulted in his losing some of his investment and the leverage on his U.S. Treasury bonds. Specifically, Respondents sold too much of his position in order to cover the 10% margin which he needed to maintain. In addition, Coutlakis' failure to properly execute this order caused the sale of additional bonds on which extra margin interest had to be paid.

Respondents denied all allegations of wrongdoing. Respondents stated that Claimant had accumulated a position of \$200,000 face amount of U.S. Treasury Bonds due 5/15/16 @ 7.25% which were the only securities held in a margin account maintained by Quick and Reilly. The bonds were margined at 10% and on August 24, 1990, had a market value of \$160,876. Claimant's account had a net debit of \$151,383.82, leaving him with an equity of \$9,493 and subject to a house call of \$6,594 in order to bring the account back to a suitable level of 10% equity. On August 27, 1990, a round lot of \$100,000 face amount of the bonds were sold @ 81 17/64 leaving the account to another broker on December 31, 1990 and never complained to either of Respondents.

#### **RELIEF REQUESTED**

Claimant requested damages: interest on any damages awarded from the date of the investment; and costs and reasonable attorneys' fees.

Respondents requested that Claimant's claim be dismissed in its entirety.

#### **OTHER ISSUES CONSIDERED & 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 originals 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. That the claims against Respondent Coutlakis and Quick and Reilly are denied in their entirety.
2. That all parties shall bear their own costs, including attorney's fees, except as forum fees are reflected below.
3. That any and all claims not specifically addressed are denied.

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**FORUM FEES**

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

2 sessions X \$500 = \$1,000 minus hearing session deposit of \$500 = net \$500 due.

Forum Fees Assessed Against Claimant. Claimant is to pay \$500.

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

Date

Concurring Arbitrators' Signatures

6/3/96

Robert O. Harris

Robert O. Harris, Esq., Presiding  
Public Arbitrator

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Barton B. Skeen, Jr.  
Public Arbitrator

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Wendie L. Wachtel  
Industry Arbitrator

Date Award Served by the NASD:

June 12, 1996

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