

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Pramod Chandra

95-04550

Name of Respondent

Alaron Securities Corp.

REPRESENTATION

For Claimant Pramod Chandra ("Chandra"): Stuart S. Mermelstein, Esq. of Quarles & Brady, West Palm Beach, Florida.

For Respondent Alaron Securities Corp. ("Alaron"): Jeffrey M. Isaacson, Esq. of Weinstein and Bacci Ltd., North Riverside, Illinois.

CASE INFORMATION

Statement of Claim filed: September 25, 1995.

Claimant's Submission Agreement signed on October 19, 1995.

Statement of Answer filed: March 1, 1996.

Respondent's Submission Agreement signed on February 26, 1996 by Michael Greenberg on behalf of Alaron.

HEARING INFORMATION

On July 8, 1996, in Fort Lauderdale, Florida, a hearing lasting 2 sessions was conducted.

CASE SUMMARY

Claimant alleged that Respondents induced him, by misrepresentation, to enter into Respondent's Professional Trader Account Program, in which individuals could trade on a 10 to 1 margin as of market close and on a 15 to 1 margin intraday. Claimant further alleged that Respondent's representatives assured Claimant that this program was in compliance with the NASD and SEC

rules and regulations, and had been approved by these regulatory authorities. Less than one month into Claimant's participation in the program, Respondent terminated the program and sold off Claimant's open positions without notice and without consent. Additionally, Claimant alleged that this termination was in violation of the parties' contract.

Respondent does not dispute that Chandra participated in Alaron's Professional Trading Program and that at the termination of said program, Alaron failed to provide proper notice. However, Respondent Alaron alleged that had notice been proper, Chandra would have had to off-set his open positions. Respondent further alleged that after reviewing the market activity for the relevant time periods, Chandra was actually in a better position because of the price that Alaron closed the trades out at than Chandra could have, if you calculate the sales prices using the mid-point of the trade range for the 24 hour period following Alaron's notice.

RELIEF REQUESTED

Claimant requested: damages in the amount of \$40,775.00, interest, attorney's fees, costs, and such other relief in the discretion of the arbitrators.

Respondent requested: dismissal of the Statement of Claim in its entirety with prejudice, costs and disbursements, and reasonable attorney's fees associated with the defense of this action, and such and further relief as may be deemed appropriate.

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. Respondent Alaron is found not liable and, therefore, all claims against it are hereby dismissed.
2. Claimant's request for damages, interest, costs, and attorney's fees is denied.
3. Respondent's request for costs and disbursements, and attorney's fees is denied.

OTHER COSTS

The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of \$800.00 (2 sessions x \$400.00).

1. Claimant is hereby assessed \$400.00 for which the NASD shall retain the \$400.00 previously deposited in full satisfaction thereof.
2. Respondent is hereby assessed \$400.00 payable to the National Association of Securities Dealers, Inc.
3. Respondent is also hereby assessed the \$200.00 member surcharge fee which is still owing.
4. The NASD shall retain the non-refundable filing fee of \$120.00 paid by the Claimant.

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

Concurring Arbitrators' Signatures

Name

/s/

Leo H. Kerns, Esq.

/s/

Seymour Roberts

/s/

Burt R. Rose

Public/Chairperson

Industry

Public

August 14, 1996

Date of Decision: _____