

NASD AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Robert Mull

Claimant

NASD Arbitration

v.

No. 96-00413

Edward Grey

Respondent

REPRESENTATION OF PARTIES

Robert Mull ("**Claimant**") was represented by Robert A. Fink, Esq., San Diego, California.

Edward Grey ("**Respondent**") was represented by Leslie Akins, Esq., Duckor Sprading & Metzger, San Diego California.

CASE INFORMATION

Claimant's Statement of Claim was filed on or about January 22, 1996. Claimant's Submission Agreement was signed on January 15, 1996.

Respondent Edward Grey's Statement of Answer was filed on or about March 22, 1996.

HEARING INFORMATION

A pre-hearing conference was held on October 14, 1996.

The hearing was held on October 30, 1996 in San Diego, California for a total of 3 sessions.

CASE SUMMARY

Claimant alleges that the Respondent made an unsuitable investment in light of Claimant's stated investment objectives and risk tolerance. Claimant further alleges that the Respondent made purchases on a margin account which was not approved by the Claimant.

Respondent denied the allegations set forth in the Statement of Claim. Respondent specifically argued Claimant's investment objectives were growth and speculation and that the trades were made on a cash basis as opposed to being bought on margin. Respondent further argued that this was not

the first time Claimant had bought in the particular stock, and that prior to each purchase the risks were fully disclosed to the Claimant.

RELIEF REQUESTED

Claimant requested an award in the amount of \$39,000. Additionally, Claimant requests an award of pre-award and post-award interest.

Respondent requested that the claims asserted against him be denied in its entirety and that he be awarded his costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Edward Grey did not file with the NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to §12 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, appeared and testified at the hearing is bound by the determination of the arbitration panel on all issues submitted.

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

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing and the post-hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant is awarded and Respondent shall pay to Claimant the sum of \$6,000.00.
2. Claimant's request for interest is denied.
3. Each side to bear their own costs and attorney's fees.

FORUM FEES

Forum fees are calculated at the rate of \$400 per hearing session and \$300 for each prehearing conference, if any. There were 3 sessions x \$400 plus 1 pre-hearing session x \$300 = \$1,500 in forum fees. Pursuant to §43(b) of the NASD Code of Arbitration Procedure (the "Code"), a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less. Pursuant to § 43(c) of the Code of Arbitration

Procedure, the parties shall divide the forum fees 50%-50%, with the Claimant bearing 50%, and the Respondent bearing 50%.

Total Fees	
3 Hearing Sessions @ \$400.00 =	\$1,200.00
1 Pre-hearing Session @ \$300.00 =	\$ 300.00
Total	<u>\$1,500.00</u>

Claimant's 1/2 share	\$750.00
Claimant's credit for deposit	<u>\$400.00</u>
Claimant's balance	\$350.00

Respondent's 1/2 share	<u>\$750.00</u>
Respondent's Balance	\$750.00

Pursuant to §43(c) of the Code, the NASD shall retain the non-refundable filing fee in the amount of \$120 and shall retain as forum fees the hearing session deposit in the amount of \$400 previously deposited with the NASD by the Claimant Robert Mull.

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

Dated: _____

Robert J. Ruben, Esq.
Public Arbitrator, Presiding Chair

Wayne J. Dankowski
Public Arbitrator

Ronald K. Witter

Ronald K. Witter
Industry Arbitrator

12/1/96

Date served: 12/5/1996

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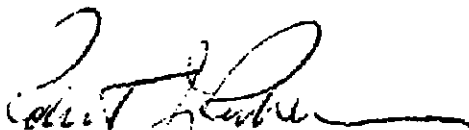
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Robert J. Ruben/Esq.
Public Arbitrator, Presiding Chair

Dated: _____

Wayne J. Dankowski
Public Arbitrator

Ronald K. Witter
Industry Arbitrator

Date served: 12/5/1996

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Dated:

Robert J. Ruben, Esq.
Public Arbitrator, Presiding Chair

Wayne Dankowski
Wayne J. Dankowski
Public Arbitrator

Nov. 24, 1996

Ronald K. Witter
Industry Arbitrator

Date served: 12/5/1996