

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Steven Cabral

96-03300

Name of Respondent

Quick and Reilly, Inc.

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers Regulation, Inc. on August 1, 1996, claimant Steven Cabral ("claimant"), who appeared Pro Se, averred that he maintained a margin account #111-25514 with respondent Quick & Reilly, Inc. ("respondent"). Claimant also indicated that as of June 3-4, 1996 his account had a balance of \$128,280.00, backed by \$27,000 cash equity. Claimant alleged that on June 4, 1996 and June 5, 1996, he sought to increase his position but his stock lost value, reducing his cash equity. Claimant further alleged that on June 6, 1996 at approximately 9:15 a.m., respondent contacted him and requested that \$25,000.00 be deposited into his account immediately, or risk the sale of his entire position. Claimant averred that as of June 6, 1996 he owned 1000 AMER, 750 IOMG, 3000 WRLS and 1000 IMAT. Claimant asserted that in order to salvage his remaining savings, he instructed respondent to sell the stocks promptly and indicated that the stocks should have been sold between 9:30 - 9:40 a.m. Claimant further asserted that respondent sold the stocks at 10:56 a.m. with resulting losses.

Respondent Quick & Reilly, Inc., through its representative and Assistant Vice President, Douglas Flaherty, maintained that as a discount broker, and as stated in its Customer Agreement, it does not offer advice on stock purchases or solicit trades. Respondent further maintained that on June 4, 1996 claimant contacted Larry Orsini, Branch Manager at Quick & Reilly, Inc.'s Paramus New Jersey office and placed unsolicited securities purchases totalling \$41,000. Respondent also maintained that claimant promised to deposit funds by the settlement date and to sell his America Online common stock to cover the purchases. Respondent averred that claimant's equity as of June 4, 1996 was \$25,956.00. Respondent contended that on June 5, 1996, claimant's equity level dropped to \$13,806.00, well below the New York Stock Exchange minimum maintenance requirement level of 25% and respondent's requirement.

Respondent further contended that on June 6, 1996, claimant was informed about his position and was asked to deliver funds to cover his position. Respondent also contended that claimant acknowledged the position of his account and indicated that he needed to check his bank account before he could deliver the funds. Respondent asserted that when claimant was contacted again at 10:55 a.m. he gave instructions to liquidate the account. Respondent maintained that on June 12, 1996, claimant's positions were immediately liquidated and he received \$3,444.38 which represented the balance in his account.

#### **RELIEF REQUESTED**

Claimant Steven Cabral requested \$9,125.00 in actual damages.

Respondent Quick & Reilly, Inc. requested that the claim be dismissed in its entirety.

#### **AWARD**

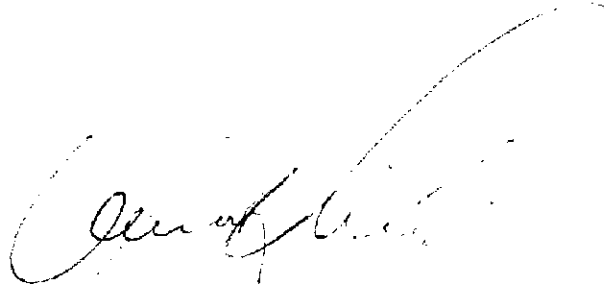
Pursuant to Section 10302 of the NASD Code of Arbitration Procedure, a single Public Arbitrator, Arnold Limsky, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the claimant Steven Cabral on July 29, 1996 and by respondent Quick & Reilly, Inc. on October 7, 1996.

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. The claims of claimant Steven Cabral against respondent Quick & Reilly, Inc., are dismissed in their entirety.
2. All other relief requests are denied.
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 shall be retained by the NASD, Inc. Respondent Quick & Reilly, Inc. shall pay to the claimant Steven Cabral \$75.00 as reimbursement of one half of the filing fee.

**AFFIRMATION**

I, **ARNOLD LIMSKY**, do hereby swear or affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument, which is my award.

A handwritten signature in cursive script, appearing to read "Arnold Limsky", is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION: February 5, 1997