

NASD REGULATION, INC. AWARD

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In the Matter of the Arbitration Between

Name of Claimant

M. H. Kabir

vs.

Case No.  
96-03394

Name of Respondents

Robert Thomas Securities, Inc.  
Mahmod M. Zaman

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REPRESENTATION

For Claimant M. H. Kabir ("Claimant") appeared David M. Freedman, Esq., a sole practitioner with offices located in Albany, New York.

For Respondent Robert Thomas Securities, Inc. ("Robert") and Mahmod M. Zaman ("Zaman"), collectively referred to as "Respondents", appeared Joseph A. Vallo, Esq., a sole practitioner with offices located in New York, New York.

CASE INFORMATION

Statement of Claim filed on: August 05, 1996.

Claimant's Submission Agreement signed on: August 19, 1996.

Respondents filed a Joint Statement of Answer on: October 04, 1996.

Respondent Robert's Submission Agreement signed on: October 04, 1996.

Respondent Zaman's Submission Agreement signed on: September 30, 1996.

HEARING INFORMATION

Hearing Date/Sessions:

November 06, 1997

Three Sessions

The hearings were conducted at the Marriott Hotel located in Albany, New York.

CASE SUMMARY

Claimant stated that he opened an account with Respondent Robert, and that Respondent Zaman was the account executive. Claimant further stated that he disclosed to Respondent Zaman that he wished to invest in non-speculative stocks and that the account should reflect the conservative nature of his other accounts. Claimant alleged that Respondent Zaman purchased shares of Cypress Semi-conductor ("Cypress") and Integrated Device Technology ("Integrated"), both on margin. Claimant further alleged that the risks and the volatile nature of the stocks were never disclosed to him by Respondents. Claimant also alleged that when the value of the stock began to decline, he instructed Respondent Zaman to sell,

which Respondent Zaman did not. Claimant asserted that his account was handled improperly and that Respondent Zaman made unauthorized purchases on margin, made purchases which were in conflict with Claimant's stated investment objectives, and refused to execute a sell order. Claimant further alleged that Respondent Robert was negligent in its supervision of Respondent Zaman.

Respondents maintained that Claimant's investment objective, as stated on his new account form, was growth with a medium tolerance of risk, and that the investments made matched this objective and Claimant's financial position. Respondents further maintained that Claimant was sent confirmations of each trade and a monthly statement, but at no time did he object to the transactions made or Respondent Zaman's handling of the account. Respondents maintained that, three months after the purchases, when the price declined, Claimant registered a complaint with Robert Thomas Securities, which the management of Robert Thomas Securities found to be without merit.

#### **RELIEF REQUESTED**

Claimant requested damages in the amount of \$17,567.00.

Respondents requested that the Statement of 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 original remains 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. Claimant did not present evidence sufficiently persuasive to support his allegations of unsuitability, unauthorized trading, or otherwise give rise to valid claims against Respondents; therefore, all claims against Respondents are dismissed in their entirety.
2. The panel requested that the record of this arbitration against Mahmood Zaman be expunged from his U-4 and U-5.
3. Forum Fees are to be assessed equally against Claimant and Respondents.
4. All further requests for relief are hereby denied.

#### **FORUM FEES**

Pursuant to Rule 10332(c) of the NASD Regulation Code of Arbitration Procedure, the arbitrators have determined that the NASD will retain the \$100.00 non-refundable deposited by Claimant and the \$200.00 Member Surcharge deposited by Respondent Robert and have assessed the following Forum Fees:

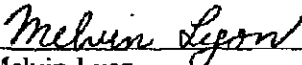
3 Hearing sessions x \$400.00                      =                      \$1,200.00

Total Forum Fees = \$1,200.00

1. Claimant be and hereby is liable and shall pay to NASD Regulation, Inc. the sum of \$600.00 representing 50% of the total forum fees assessed. Claimant previously deposited \$400.00 with the NASD, therefore, Claimant is liable to the NASD for the balance of \$200.00.
2. Respondents be and hereby are jointly and severally liable and shall pay to NASD Regulation, Inc. the sum of \$600.00 representing 50% of the total forum fees assessed.

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

**ARBITRATOR'S SIGNATURE**

  
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Melvin Lyon  
Public Chairperson

Date of Decision: December 11, 1997

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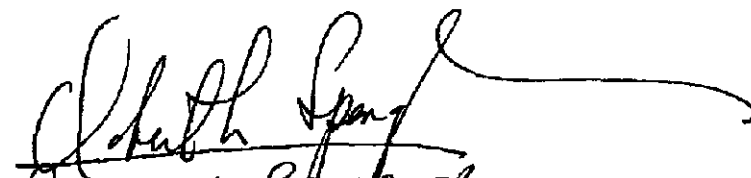
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**ARBITRATOR'S SIGNATURE**

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Melvin Lyon  
Public Chairperson

Date of Decision: December 11, 1997

  
ROBERT L. SPANGLER  
INDUSTRY ARBITRATOR  
Robert L. Spangler  
Industry Arbitrator