

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

Wa-Il S. Dahir

v.

Arbitration No.

96-05190

Name of Respondents

Citicorp Investment Services, Inc. and Frank Anthony Consalo III

REPRESENTATION

For Claimant:

William F. Davis, Esq.
Pacific Palisades, California

For Respondents:

W. Douglas Kari, Esq.
Douglas E. Love, Esq.
Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

CASE INFORMATION

Statement of Claim filed:

December 10, 1996

Claimant's Submission Agreement signed:

November 6, 1996

Statement of Answer filed by Respondents:

March 4, 1997

Respondent Citicorp Investment Services, Inc.'s
Submission Agreement signed:

March 5, 1997

Respondent Frank Consalo III's
Submission Agreement signed:

March 10, 1997

HEARING INFORMATION

Pre-Hearing Conference Dates / Sessions: March 26, 1997 (1 Session)

Hearing Dates / Sessions: August 4, 1997 (2 Sessions)
August 5, 1997 (2 Sessions)
August 6, 1997 (2 Sessions)
August 7, 1997 (2 Sessions)
August 8, 1997 (2 Sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged Respondents committed breach of contract, breach of fiduciary duty, fraud, churning, negligence, and violations of the NASD's Rules of Fair Practice. Specifically, Claimant alleged Respondent Consalo invested Claimant's money in highly speculative and unsuitable securities which caused Claimant to incur tremendous losses. Claimant further alleged that Respondent Citicorp Investment Services did not properly supervise its broker, allowing him to churn Claimant's account and purchase unsuitable investments.

Respondents denied Claimant's claims in their entirety. Respondents further asserted that Claimant was an aggressive trader who authorized the purchase of risky, highly speculative investments and that Respondent Consalo never recommended any of the stocks purchased in Claimant's account.

RELIEF REQUESTED

Claimant sought \$317,298.00 in compensatory damages, disgorgement of all wrongfully obtained profits, interest at the legal rate of 10 percent, punitive damages, attorney's fees, and costs.

Respondents sought dismissal of Claimant's Statement of Claim, attorney's fees, and costs.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in either 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 Regulation, Inc., Office of Dispute Resolution.

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 Citicorp Investment Services, Inc. is liable to and shall pay Claimant the sum of \$45,333.00.
2. Claimant's claims against Respondent Frank Anthony Consalo III are dismissed in their entirety.
3. Claimant's claims for punitive damages and attorney's fees are denied.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed against Claimant and Respondent Citicorp Investment Services, Inc.:


One (1) Full Panel Pre-Hearing Conference @ \$750.00/Session	= \$750.00
Ten (10) Hearing Sessions @ \$750.00 /Session	= \$7,500.00
Total Forum Fees Assessed	= \$8,250.00
Claimant's One-Half Share	= \$4,125.00
Respondent Citicorp Investment Services, Inc's One-Half Share	= \$4,125.00

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name.....</u>	<u>Public / Industry</u>
Herbert Murez, Esq.	Public Arbitrator
John P. McShane	Industry Arbitrator
James P. Murphy	Public Arbitrator

Concurring Arbitrators' Signatures



Herbert Murez, Esq.

John P. McShane

James P. Murphy


Date of Service: _____

ARBITRATORS

<u>Name.....</u>	<u>Public / Industry</u>
Herbert Murez, Esq.	Public Arbitrator
John P. McShane	Industry Arbitrator
James P. Murphy	Public Arbitrator

Concurring Arbitrators' Signatures

Herbert Murez, Esq.



John P. McShane

James P. Murphy

Date of Service: 8.8-97

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Herbert Murez, Esq.	Public Arbitrator
John P. McShane	Industry Arbitrator
James P. Murphy	Public Arbitrator

Concurring Arbitrators' Signatures

Herbert Murez, Esq.

John P. McShane


James P. Murphy

Date of Service: 8/19/97