

AWARD
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimants

Shikhar C. Jain and Archana Jain

97-05749

Name of Respondent

Investors Associates, Inc

REPRESENTATION

For Claimants: Shikhar C. Jain and Archana Jain ("Jain") were represented by James A. McGurk, Esq., located in Chicago, Illinois.

For Respondent: Investors Associates, Inc. ("Investors") did not appear.

CASE INFORMATION

Statement of Claim filed: December 9, 1997.

Claimant's Submission Agreement signed on: December 4, 1997.

Respondent did not file a Statement of Answer or an executed Submission Agreement.

HEARING INFORMATION

Pre-Hearing Conference: November 4, 1998.

Hearing Date/Sessions: November 30, 1998 for One (1) session.

Hearing Location: Chicago, Illinois.

CASE SUMMARY

Claimant alleged that an individual not registered with the NASD in any capacity contacted him about opening an account at Investors. Based upon the individual's recommendations, the Jains purchased shares of common stock in three companies which they would not have purchased if they knew the person was not registered. The Jains asserted the following causes of action: breach of fiduciary duty; misrepresentation and violation Section 10(b) of the Securities and Exchange Act of 1934; and common law fraud.

RELIEF REQUESTED

Claimants requested entry of an award for compensatory damages in the amount of \$6,000.00, plus interest, costs and reasonable attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitrator determined that Respondent Investors Associates, Inc. was properly served with the Statement of Claim pursuant to Rule 10302 and Rule 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrator also determined that Respondent received due notice of the hearing as required under Rule 10315 of the Code and that arbitration of the matter would proceed pursuant to Rule 10318 of the Code.

Respondent did not file with the NASD Regulation, Inc. Office of Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and is bound by the determination of the arbitration panel on all issues submitted.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Investors Associates, Inc. is liable for and shall pay to the Claimants, Shikhar C. Jain and Archana Jain the sum of \$6,000.00 as compensatory damages;
2. In addition, Respondent Investors Associates, Inc. is liable for and shall pay to Claimants Shikhar C. Jain and Archana Jain the sum of \$2,000.00 as attorneys' fees. In deciding to award attorneys' fees, the arbitrator considered the evidence presented and the uncontroverted allegations of the arbitration complaint and determined that authority existed for an award of attorneys' fees to the claimants;
3. The parties shall bear their own costs of arbitration, including any additional attorneys' fees, except for those specifically enumerated herein;
4. Any relief not specifically awarded is hereby denied.

OTHER COSTS

Pursuant to Rule 10333 of the Code, Respondent Investors Associates, Inc. shall pay to NASD Regulation, Inc. the \$300.00 past due member surcharge previously invoiced.

FORUM FEES

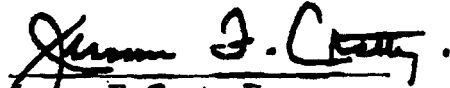
Pursuant to Rule 10332[c] of the Code of Arbitration Procedure, the following Forum Fees are assessed: One (1) pre-hearing conference x \$200.00=\$200.00; One (1) hearing session x \$200.00=\$200.00; Total forum fees=\$400.00.

The NASD Regulation, Inc. Office of Dispute Resolution shall retain the \$75.00 claim filing fee and, as forum fees, the \$200.00 hearing session deposit previously paid by the Claimants, Shikhar C. Jain and Archana Jain. Respondent Investors Associates Inc. is liable for and shall pay to Claimants Shikhar C. Jain and Archana Jain the sum of \$275.00 as reimbursement of the above fees. In addition, Respondent Investors Associates Inc. is liable for and shall pay to the NASD Regulation, Inc. Office of Dispute Resolution the sum of \$200.00 as additional forum fees.

Arbitrator's Signature

Name

Date


Jerome F. Crotty, Esq.
Public Arbitrator

11.30.98

For ODR Use Only/Date of Decision: 12/1/98