

N.A.S.D. REGULATION AWARD
NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.

CASE: 99-00199

Ira C. Nelson, Jr., claimant vs. Lombard Securities, Inc. and C. Curtis Fox, respondents.

ATTORNEYS:

Claimant, Ira C. Nelson, Jr. ("Nelson"), appeared Pro Se., Baltimore, MD.

Respondent, C. Curtis Fox ("Fox"), appeared Pro Se., Baltimore, MD.

Respondent, Lombard Securities, Inc. ("Lombard"), appeared through its Vice President, E.H. Price Green, Baltimore, MD.

DATE FILED: 01/19/1999

CASE SUMMARY: Claimant alleged that on October 17, 1997, date of expiration of October call options, respondent, Fox, allowed 30 October options, which claimant had written on the common stock Westinghouse Corp., to be exercised at the strike price of \$20.00. Claimant maintained that Westinghouse was trading at about \$29.00, which caused the October 20 options to be valued at approximately \$900.00 deep "in the money." Claimant further contended that buying those options back would have provided claimant with a valuable tax loss of approximately \$24,000.00. As a result of the exercise options, claimant maintained claimant incurred a taxable gain of approximately \$17,000.00. The difference between a \$24,000.00 tax loss and a \$17,000.00 taxable gain resulted in an increase in taxable income of approximately \$41,000.00. Claimant believed that the irreversible transaction effected by respondents should not have happened and was not in accordance with claimant's authorization or instructions.

Claim Data

Claim: \$10,000.00

Award Data

Award: \$.00

AWARD: The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) The claims of claimant are dismissed in their entirety. 2) The \$150.00 filing fee previously deposited with the National Association of Securities Dealers Regulation, Inc. by the claimant, shall be retained by NASD Regulation, Inc.

OTHER FEES: Pursuant to Rule 10333 of the Code, respondent, Lombard Securities, Inc., has paid to NASD Regulation, Inc. the \$300.00 Member Surcharge previously invoiced.

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Award 99-00199

AFFIRMATION

I, Bruce Saunders, do hereby affirm, upon my oath as arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.

Bruce Saunders
Bruce Saunders

January 7, 2000
Date of award