

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Kurt W. Zobel

Case No. 99-00530

Names of Respondents

Shahriar Sabi
Tasin & Co., Inc.

REPRESENTATION OF PARTIES

Claimant Kurt W. Zobel, hereinafter referred to as "Claimant", appeared pro se.

For Respondents Shahriar Sabi ("Sabi") and Tasin & Co., Inc. ("Tasin & Co."), hereinafter collectively referred to as "Respondents": Ernest Edward Badway, Esq. of the law firm of Saiber, Schlesinger, Satz & Goldstein, L.L.C., Newark, New Jersey.

CASE INFORMATION

Statement of Claim filed on or about: February 1, 1999.

Claimant signed the Uniform Submission Agreement: February 4, 1999.

Statement of Answer filed by Respondents on or about: April 7, 1999.

Respondent Sabi signed the Uniform Submission Agreement: April 6, 1999.

Respondent Tasin & Co. signed the Uniform Submission Agreement: April 16, 1999.

CASE SUMMARY

Claimant asserted the following: At the end of April 1998, Respondent Sabi of Tasin & Co. purchased 11,600 shares of Informix Software, Inc. ("Informix") for Claimant's account, without his authorization, for a total cost of \$115,380.00. Further, Respondent Sabi executed the transaction on margin without informing the Claimant of the risks involved in trading on margin. When the price of Informix declined in May 1998, Respondent Sabi urged Claimant to hold the shares even though it was common knowledge that the stock was being sold short. Thereafter, when the price of the stock began to drop drastically, Respondent Sabi did not inform Claimant there was a possibility he could incur margin calls in his account. Claimant was forced to sell his position in Computer Horizons, Inc. and incur a loss of \$4,087.00 to cover the margin calls. At the end of July 1998, Claimant made a cash payment of \$9,000.00 to cover a margin call using funds that were partially borrowed and liquidated from his Fidelity mutual funds. During August, Informix continued to decline

and Claimant was forced to sell the stock to meet margin calls incurring a loss of \$64,288.00.

Respondents asserted the following: In 1998, Claimant represented to Respondents that he was an experienced investor who had actually traded stocks for ten years and now hoped to trade in speculative stocks. Claimant qualified as a speculative investor given his investment experience, employment, annual income of approximately \$160,000.00 to \$170,000.00, and net worth, exclusive of his primary residence, of \$500,000.00

Over several months, Claimant actively and aggressively traded his account, making securities purchases totaling \$256,000.00. Claimant often instructed Sabi to use his margin credit to finance his purchases. For example, Claimant purchased 11,600 shares of Informix stock at an average price of \$9.93 per share, a large portion of the transaction being financed by margin credit. Claimant was forced to liquidate this position at prices ranging from \$3 3/4 to \$5 17/32 during the well documented turbulence of the stock market in the summer and fall of 1998 when the Asian crisis caused Informix's stock price to drop dramatically.

Contrary to Claimant's allegations, at no time did Respondents or anyone associated with Respondents ever coerce Claimant to act against his will or desires. Each and every transaction in Claimant's account was performed with his authorization and with his full knowledge of any risk. As evidence of this fact, Claimant executed additional trades after his claimed losses.

RELIEF REQUESTED

Claimant requested damages as follows:

Losses in Informix:	\$ 64,288.00
Losses in Computer Horizons, Inc.:	\$ 4,087.00
Interest on Loan:	\$ 5,730.00
Cash Margin Call:	\$ 9,000.00
Margin Interest:	\$ 2,250.00
Lost Income:	\$ 3,545.00
NASD Filing Fee:	\$ 1,100.00

Respondents requested the following:

1. The claims against them be dismissed in their entirety;
2. If the Panel finds against any of the Respondents, the award should specifically apportion liability and damages among the Respondents;
3. The Panel issue an Order expunging the instant Complaint from Respondents Sabi and Tasin & Co.'s CRD records; and,
4. The cost of the hearing and attorney's fees be awarded to Respondents Sabi and Tasin & Co.

OTHER ISSUES CONSIDERED AND 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.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

All claims of the Claimant against Respondents are dismissed, with prejudice.

Respondents' requests for an expungement of all references to this arbitration from their CRD records are denied.

Each party shall bear their respective costs.

Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$150.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

Adjournment Fees

No adjournments were requested during these proceedings.

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One Pre-hearing session with Panel x \$500.00	= \$500.00
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Pre-hearing conference: July 21, 1999 1 session
Two Hearing sessions x \$500.00 = \$1,000.00
Hearing Date: November 11, 1999 2 sessions
Total Forum Fees = \$1,500.00

The Panel has assessed \$750.00 of the forum fees to Claimant.
The Panel has assessed \$750.00 of the forum fees, jointly and severally, to Respondents.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$150.00
Forum Fees	= \$750.00
Total Fees	= \$900.00
<u>Less payments</u>	<u>= \$1,100.00</u>
Balance Due NASD Regulation, Inc.	= \$0.00

Respondent Tasin & Co. be and hereby is solely liable for:

Member Fees	= \$3,100.00
Total Fees	= \$3,100.00
<u>Less payments</u>	<u>= \$3,100.00</u>
Balance Due NASD Regulation, Inc.	= \$0.00

Respondents be and hereby are jointly and severally liable for:

Forum Fees	= \$750.00
<u>Less payments</u>	<u>= \$0.00</u>
Balance Due NASD Regulation, Inc.	= \$750.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signature(s)

_____/s/
M. Bruce Adelberg
Industry Arbitrator/Presiding Chair

Signature Date

_____/s/
Patrick L. Bellantoni
Public Arbitrator

Signature Date

/s/

Hugh O. Brock, III, Esq.
Public Arbitrator

Signature Date

November 19, 1999
Date of Service (For NASD office use only)

Pre-hearing conference: July 21, 1999

Two Hearing sessions x \$500.00

Hearing Date: November 11, 1999

Total Forum Fees

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The Panel has assessed \$750.00 of the forum fees, joint

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Concurring Arbitrators' Signature(s)

M. Bruce Adelberg
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Industry Arbitrator/Presiding Chair

11/15/99
Signature Date

Patrick L. Bellantoni
Public Arbitrator

Signature Date

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All balances are due and payable to NASD Regulation, Inc.

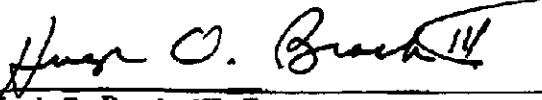
Concurring Arbitrators' Signature(s)

M. Bruce Adelberg
Industry Arbitrator/Presiding Chair

Signature Date

Patrick L. Bellantoni
Patrick L. Bellantoni
Public Arbitrator

11-15-99
Signature Date



Hugh O. Brock, III, Esq.
Public Arbitrator

11/15/99
Signature Date

Date of Service (For NASD office use only)