

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Kamlesh Chopra v. Waterhouse Securities, Inc.

Case Number: 99-817

Hearing Site: Detroit, Michigan

REPRESENTATION OF PARTIES

Claimant, Kamlesh Chopra ("Chopra"), hereinafter referred to as "Claimant": Edward M. Olson, Esq., Velardo Sugameli & Olson, P.L.C., Troy, Michigan.

Respondent, Waterhouse Securities, Inc. ("Waterhouse"), hereinafter referred to as "Respondent": Mark L. Kowalsky, Esq. and Karen A. Gould, Esq., Hertz, Schram & Saretsky, P.C., Bloomfield Hills, Michigan.

CASE INFORMATION

Statement of Claim filed on or about: February 2, 1999

Claimant signed the Uniform Submission Agreement: February 11, 1999

Answer to Statement of claim and Counterclaim filed by Respondent on or about: August 10, 1999

Respondent signed the Uniform Submission Agreement: December 10, 1999

Answer to Counterclaim filed on or about: December 29, 1999

Claimant's Request to Reopen Hearing filed on or about: August 28, 2000

CASE SUMMARY

Claimant asserted causes of action including the following: failure to cancel day orders, failure to notify Claimant of confirmations, violation of NASD rules; failure to implement a system to prevent multiple, unknown, executions; and deliberate and intentional mishandling of trades. The causes of action involve day trading related to several orders with respect to the common stock for a company known as "Books a Million" resulting in margin calls in Claimant's account. Claimant denied the allegations made in the Counterclaim.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted affirmative defenses, including the following: Claimant has failed to state a claim upon which relief may be granted; Claimant's claims are barred by the applicable statute of limitations and the statute of frauds; Claimant's failure to mitigate; and Claimant assumed the risks for the transactions engaged in and investment losses if any, that she incurred. Respondent filed a counterclaim for the debit balance in Claimant's account.

RELIEF REQUESTED

Claimant requested compensatory damages in excess of \$100,000.00, plus sanctions for having taken such deliberate and wrongful actions, plus attorney fees and costs

Respondent requested that the claim be denied in its entirety and the amount of the debit balance (approximately \$10,000.00,) plus costs and attorneys fees.

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.

At hearing, the Panel granted Respondent's oral Motion to Exclude Claim regarding Hastings stock.

At hearing, the Panel denied Respondent's oral Motion to Adjourn during first hearing session.

The Panel denied Claimant's Request to Reopen Hearing.

AWARD

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

- 1.) Claimant, Kamlesh Chopra, shall take \$19,360.00 on her claim;
- 2.) Respondent, Waterhouse Securities, Inc., shall take \$10,000.00 on its counterclaim;
- 3.) Respondent Waterhouse Securities, Inc. is liable to and shall pay to Claimant, Kamlesh Chopra, the sum of \$9,360.00 in compensatory damages (\$19,360.00 - 10,000.00) ;
- 4.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 5.) That any claims for relief not specifically enumerated, including, but not limited to punitive damages and requests for sanctions, are hereby denied with prejudice.

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 |
| Counterclaim filing fee | = \$500.00 |

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, Waterhouse Securities, Inc., is a party.

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

Adjournment Fees

Adjournments requested during these proceedings:

| | |
|---|----------------------|
| June 13-14, 2000, adjournment by Respondent | = \$ 500.00 (waived) |
|---|----------------------|

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 arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

| | |
|---|-------------|
| One (1) Pre-hearing session with a single arbitrator x \$300.00 | = \$ 300.00 |
| Pre-hearing conference: August 15, 2000 | 1 session |

| | |
|---|-------------|
| One (1) Pre-hearing session with Panel x \$500.00 | = \$ 500.00 |
| Pre-hearing conference: December 21, 1999 | 1 session |

| | |
|--------------------------------------|--------------|
| Four (4) Hearing sessions x \$500.00 | = \$2,000.00 |
| Hearing Dates: July 13, 2000 | 2 sessions |
| August 25, 2000 | 2 sessions |

| | |
|------------------|--------------|
| Total Forum Fees | = \$2,800.00 |
|------------------|--------------|

The Panel has assessed \$1,400.00 of the forum fees to Claimant, Kamlesh Chopra.
The Panel has assessed \$1,400.00 of the forum fees to Respondent, Waterhouse Securities, Inc.

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Fee Summary

Claimant, Kamlesh Chopra, be and hereby is solely liable for:

| | |
|-----------------------------------|---------------|
| Initial Filing Fee | = \$ 150.00 |
| Forum Fees | = \$ 1,400.00 |
| Total Fees | = \$ 1,550.00 |
| Less payments | = \$ 650.00 |
| Balance Due NASD Regulation, Inc. | = \$ 900.00 |

Respondent, Waterhouse Securities, Inc., be and hereby is solely liable for:

| | |
|---|---------------|
| Type Filing Fee | = \$ 500.00 |
| Member Fees | = \$ 3,100.00 |
| Forum Fees | = \$ 1,400.00 |
| Total Fees | = \$ 5,000.00 |
| Less payments | = \$ 5,600.00 |
| Balance to be refunded by NASD Regulation, Inc. | = \$ (600.00) |

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

Matthew W. Schlegel
Public Arbitrator, Presiding Chair

Signature Date

Martin Brosnan
Public Arbitrator

Signature Date


Gregory M. Gendron
Industry Arbitrator

9/5/00
Signature Date

Date of Service (For NASD office use only)

08/30/00 15:08 FAX 248

KUPELIAN ORMOND & MAGY

2005

2006

08/29/00 TUE 16:08 FAX

NASD REGULATION

NASD Regulation, Inc. Office of Dispute Resolution
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Fee Summary

Claimant, Kamlesh Chopra, be and hereby is solely liable for:

| | |
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Martin Brosnan
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Gregory M. Gendron
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8/30/00
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NASD Regulation, Inc. Office of Dispute Resolution
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 Award Page 4 of 4

Fee Summary

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Concurring Arbitrators' Signatures

Concurring Arbitrators

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 Public Arbitrator, Presiding Chair

Martin Brennan
 Public Arbitrator

Gregory M. Gendron
 Industry Arbitrator

Signature Date Matthew W. Schlegel
 Public Arbitrator, Presiding Chair

Signature Date

Signature Date

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