

**Award
NASD Regulation, Inc.**

In the Matter of the Arbitration Between:

Dain Rauscher Incorporated, Claimant vs. Shamaz Mayginnes, Respondent.

Case Number: 99-02584

Hearing Site: San Francisco, California

REPRESENTATION OF PARTIES

Claimant, Dain Rauscher Incorporated ("DRI"), hereinafter referred to as "Claimant": Ronald Kravitz, Esq., Zelle, Hofmann, Voelbel & Gette, LLP, San Francisco, California; and David M. Fogel, Esq., Dain Rauscher Incorporated, Minneapolis, Minnesota

Respondent, Shamaz Mayginnes ("Mayginnes"), hereinafter referred to as "Respondent": Geoffrey M. Faust, Esq., Clayton, California

CASE INFORMATION

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

Declarations of David M. Fogel and Lowell H. Haky filed on or about: March 27, 2000

Claimant, DRI, signed the Uniform Submission Agreement: March 29, 1999

Special Appearance of Respondent, Shamaz Mayginnes, filed on or about: October 6, 1999

Geoffrey M. Faust's submission filed on or about: April 22, 2000

CASE SUMMARY

Claimant alleged that DRI, through a division titled Rauscher Pierce Refsnes Clearing ("RPRC"), acts as a clearing firm for introducing brokers. Claimant further alleged that on or about July 16, 1998, Mayginnes opened an account with Southern Financial Group ("SFG"), an introducing broker that clears through RPRC; and that Mayginnes maintained an account with SFG (and, by extension, with RPRC and DRI) until November 1998, at which time he requested an account transfer to Charles Schwab.

Claimant further alleged that on November 25, 1998, while Mayginnes' account transfer request was pending, Mayginnes closed out the following option position: 5L calls of QNO (New ERA Networks), exp. 12/98 @ 50.; and that Mayginnes received proceeds of \$9,431.68 from this sale.

Claimant further alleged that on that same day, November 25, 1998, Mayginnes rescinded his account transfer request, and further alleged that on December 3, 1998, before Mayginnes' rescission could be effectuated, RPRC transferred the previously mentioned option position to Charles Schwab.

Claimant further alleged that despite his earlier rescission, upon information and belief Mayginnes sold these options again, through Charles Schwab, on December 3, 1998; Mayginnes received proceeds of \$11,926.00 from this sale; and that Mayginnes thus sold the same option position twice and received payment for both sales.

Respondent Mayginnes neither admits nor denies the allegations of DRI's claim. Respondent Mayginnes contested arbitrability and alleged that there is no enforceable agreement to arbitrate Claimant's claims in this matter.

RELIEF REQUESTED

Claimant requested an award be entered in its favor in the amount of \$11,926.00, plus interest at 8.875%, plus costs and attorney's fees, against Respondent Mayginnes.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Mayginnes did not file with the NASD Regulation, Inc. Office of Dispute Resolution a properly executed submission to arbitration. The Arbitrator determined that Respondent Mayginnes is subject to NASD jurisdiction pursuant to the New Account Form executed by Respondent Mayginnes on or about July 16, 1998. The Arbitrator further determined that Respondent Mayginnes is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and is bound by the determination of the Arbitrator on all issues submitted.

Respondent Mayginnes did not participate during the pre-hearing sessions held on February 7 and March 10, 2000. Pursuant to Rule 10318 of the Code, the Arbitrator determined that Respondent Mayginnes had been notified of the pre-hearing sessions scheduled in this matter and ruled to proceed in his absence.

AWARD

After considering the pleadings and documentation filed by the parties, and the Orders made during the pre-hearing sessions held in this matter, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's Motion to Preclude Evidence or Defenses was rendered moot by Respondent's default.
2. Respondent Mayginnes is liable for and shall pay to Claimant, DRI, the sum of \$11,926.00 in compensatory damages plus interest at the rate of 8.875% per annum from March 10, 2000 until payment of this Award.

3. Referencing the Declaration of Lowell H. Haky of Zelle, Hofmann, Voelbel & Gette, LLP, Respondent Mayginnnes is liable for and shall pay to Claimant, DRI, the sum of \$1,656.50 in attorneys fees pursuant to the terms of the New Account Form executed by Respondent Mayginnnes on or about July 16, 1998. No attorney's fees are awarded with respect to the Declaration of David M. Fogel.

4. The parties shall each bear all other respective costs incurred in this matter.

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 = \$750.00

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, the member firm is a party.

Member surcharge = \$400.00

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:

Two (2) Pre-hearing sessions with Panel x \$450.00 = \$900.00

Pre-hearing conferences	February 7, 2000	1 session
	March 10, 2000	1 session

Total Forum Fees = \$900.00

1. The Panel has assessed the \$900.00 in forum fees to Respondent, Mayginnnes.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security. The parties did not incur administrative costs.

Fee Summary

1. Claimant, DRI, be and hereby is solely liable for:

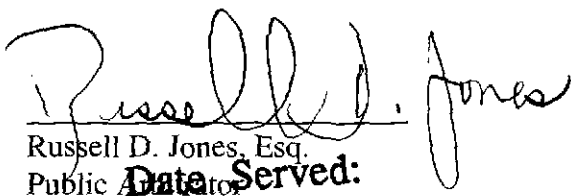
Initial Filing Fee	= \$ 750.00
Member Fees	= \$ 400.00
Adjournment Fee	= \$ 0.00
Forum Fees	= \$ 0.00
<u>Administrative Costs</u>	= \$ 0.00
Total Fees	= \$1,150.00
<u>Less payments</u>	= \$1,600.00
Balance (Refund)	= \$ 450.00

2. Respondent, Mayginnes, be and hereby is solely liable for:

Filing Fee	= \$ 0.00
Member Fees	= \$ 0.00
Adjournment Fee	= \$ 0.00
Forum Fees	= \$900.00
<u>Administrative Costs</u>	= \$ 0.00
Total Fees	= \$900.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Regulation, Inc.	= \$900.00

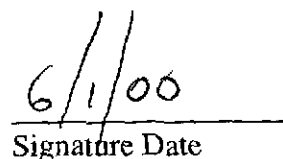
All balances are due to NASD Regulation, Inc. and are payable within 30 days of the service date of this Award.

Presiding Arbitrator's Signature


Russell D. Jones, Esq.
Public Arbitrator

Date Served:

JUN 9 2000


Signature Date

Date of Service (For NASD office use only)