

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Hari S. Dadlani (Claimant) v. Quick & Reilly, Inc. and U.S. Clearing Corp.  
(Respondents)

Case Number: 99-04954

Hearing Site: Buffalo, New York

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Nature of the Dispute: Customer vs. Members.

**REPRESENTATION OF PARTIES**

Claimant Hari S. Dadlani hereinafter referred to as "Claimant": Jessica Reynolds-Amuso, Esq., Reynolds & Henehan, Avon, NY. Previously represented by Larry Kerman, Esq., and Bryan E. Miller, Esq., Cohen, Swados, Wright, Hanifin, Bradford & Brett, Avon, NY.

Respondents Quick & Reilly, Inc., and U.S. Clearing Corp., hereinafter collectively referred to as "Respondents": Ronald L. Israel, Esq., Wolff & Samson, P.C., West Orange, NJ. Previously represented by Bennett Falk, Esq., Morgan, Lewis & Bockius, LLP., Miami, FL.

**CASE INFORMATION**

Statement of Claim filed on or about: October 28, 1999.

Claimant signed the Uniform Submission Agreement: January 22, 2000.

Joint Statement of Answer filed by Respondents on or about: June 14, 2000.

Quick & Reilly, Inc. did not sign the Uniform Submission Agreement.

U.S. Clearing Corp. did not sign the Uniform Submission Agreement.

**CASE SUMMARY**

Claimant asserted the following causes of action: churning; unauthorized and premature margin call; unsuitability; and breach of fiduciary duty and duty of care. Claimant's claims involved investing on margin in the Winthrop Fund.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimant requested compensatory and punitive damages, margin interest, excessive commissions for a combined total of at least \$975,000.00, plus interest thereon, and such other relief as the arbitrators may deem just and proper.

Respondents requested that Claimant's claims be dismissed in their entirety.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondents Quick & Reilly, Inc., and U.S. Clearing Corp. did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

During the hearing, Respondents Moved to Dismiss based upon laches and for summary judgment. The Panel, after due deliberation, denied the Motion based upon laches and reserved decision on summary judgment pending proof.

After the close of Claimant's proof, the Panel granted Respondents' Motion to Dismiss based upon Claimant's failure to prove any damages regardless of any actions of Respondents.

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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are dismissed in their entirety.
2. Any and all relief not specifically addressed herein, including punitive damages, is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

**Filing Fees**

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$375.00

**Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Quick & Reilly, Inc., and U.S. Clearing Corp. are parties.

Member surcharge = \$2,000.00  
Pre-hearing process fee = \$ 600.00  
Hearing process fee = \$3,500.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

July 10-12, 2001, adjournment requested by Claimant = WAIVED  
November 12-14, 2001, adjournment requested by Claimant = WAIVED  
May 9-12, 2006, adjournment requested by Respondents = WAIVED

**Forum Fees and Assessments**

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

Three (3) Pre-hearing sessions with Panel @ \$1,200.00	= \$3,600.00
Pre-hearing conferences: October 2, 2000 1 session	
January 8, 2001 1 session	
July 3, 2001 1 session	
Two (2) Hearing sessions @ \$1,200.00	= \$2,400.00
Hearing Date: September 12, 2006 2 sessions	
Total Forum Fees	= \$6,000.00

1. The Panel has assessed \$3,000.00 of the forum fees against Claimant.
2. The Panel has assessed \$3,000.00 of the forum fees jointly and severally against Respondents Quick & Reilly, Inc., and U.S. Clearing Corp.

**Fee Summary**

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$3,000.00
Total Fees	= \$3,375.00
Less payments	= \$1,575.00
Balance Due NASD Dispute Resolution	= \$1,800.00

2. Respondent Quick & Reilly, Inc. is solely liable for:

Member Fees	= \$ 6,100.00
Total Fees	= \$ 6,100.00
Less payments	= \$ 6,100.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondent U.S. Clearing Corp. is solely liable for:

Member Fees	= \$ 6,100.00
Total Fees	= \$ 6,100.00
Less payments	= \$ 6,100.00
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Respondents are jointly and severally liable for:

Forum Fees	= \$3,000.00
Total Fees	= \$3,000.00
Less payments	= \$4,100.00
Refund Due Quick & Reilly, Inc.	= \$1,100.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.
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ARBITRATION PANEL

Richard D. Rosenbloom, Esq.	-	Public Arbitrator, Presiding Chairperson
Allan H. Kaminsky	-	Public Arbitrator
Anthony D. McCaffrey	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument in which is my award.

Richard D. Rosenbloom  
Richard D. Rosenbloom, Esq.  
Public Arbitrator, Presiding Chairperson

9-18-06  
Signature Date

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Allan H. Kaminsky  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Anthony D. McCaffrey  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

September 21, 2006  
Date of Service (For NASD Dispute Resolution use only)

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Allan H. Kaminsky	-	Public Arbitrator
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Public Arbitrator, Presiding Chairperson

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Signature Date

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*Allan H. Kaminsky*  
Allan H. Kaminsky  
Public Arbitrator

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*9-19-06*  
Signature Date

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Anthony D. McCaffrey  
Non-Public Arbitrator

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Signature Date

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September 21, 2006

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Signature Date

  
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Anthony D. McCaffrey  
Non-Public Arbitrator

9/15/06  
\_\_\_\_\_  
Signature Date

September 21, 2006

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Date of Service (For NASD Dispute Resolution use only)