

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Wayne and Wanda Bennett by POA Jeffrey Bennett, (Claimants)

vs.

PaineWebber, Inc., (Respondent)

Case Number: 01-00928

Hearing Site: Pittsburgh, Pennsylvania

REPRESENTATION OF PARTIES

Claimants, Wayne and Wanda Bennett by POA Jeffrey Bennett, hereinafter collectively referred to as "Claimants": Mitchel B. Zemel, Esq., Weber Goldstein Greenberg & Gallagher LLP, Pittsburgh, PA (Mr. Zemel was with the law firm of Lewis Sargent & Rosenberg LLC when this claim was originally filed).

Respondent, PaineWebber, Inc., hereinafter referred to as "Respondent": Sandra D. Grannum, Esq., Associate General Counsel and First Vice President, PaineWebber, Inc., Weehawken, NJ.

CASE INFORMATION

Statement of Claim filed on: February 23, 2001.

Amended Statement of Claim filed on: September 28, 2001.

Reply to Motion to Dismiss filed by Claimants on: August 14, 2001.

Claimants signed the Uniform Submission Agreement: March 27, 2001.

Statement of Answer and Motion to Dismiss filed by Respondent on: June 15, 2001.

Respondent signed the Uniform Submission Agreement: June 15, 2001.

CASE SUMMARY

Claimants asserted the following causes of action: misrepresentations; failure to supervise; unauthorized transactions; and, negligence. Claimants' claim involved unspecified financial products.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Claimants fail to state a

claim; Respondent acted in compliance with all applicable rules and regulations, acted in good faith, and did not directly induce the alleged act or acts, if any, constituting alleged violations of law; the damages allegedly suffered by Claimants have no causal relationship with any act committed by Respondent, nor are they legally attributable to Respondent; Claimants are estopped by their conduct from maintaining this action because they contractually agreed to the liquidation in their account; the injuries, if any, alleged to have been sustained by Claimants were caused, in whole or in part, by Claimants; the transactions complained of in the Statement of Claim were duly authorized and instructed by Claimants; Claimants failed to mitigate their damages; Claimants' claims are barred, in whole or in part, by assumption and acceptance of the risk of loss; Claimants, through their acts and deeds, waived their right to maintain this action against Respondent; Claimants, through their acts and deeds, ratified all trading in their accounts; and, Respondent properly, diligently, and adequately supervised every employee, agent, and representative of Respondent with respect to Claimants' account, and complied with all relevant laws, rules, regulations, and policies regarding the duty of supervision.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$18,000.00, plus treble damages, costs, and attorneys' fees.

Respondent requested that the Statement of Claim be dismissed in its entirety, with prejudice.

OTHER ISSUES CONSIDERED AND DECIDED

Claimant Wanda Bennett was not present at the arbitration hearing in this matter. Upon review of the file, the undersigned arbitrators (the "Panel") determined that Wanda Bennett received due notice of the hearing, and that arbitration of the matter would proceed without Wanda Bennett present.

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. That Claimants' claims are hereby denied in their entirety;
2. That the parties shall bear their respective costs, except as to Fees specifically addressed below; and
3. That any and all claims not specifically addressed herein are denied in their entirety.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee = \$ 225.00

Member Fees

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

Member surcharge = \$1,000.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$1,500.00

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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$750.00 = \$ 750.00

Pre-hearing conference: November 19, 2001 1 session

Two (2) Hearing sessions x \$750.00 = \$1,500.00

Hearing Date: February 6, 2002 2 sessions

Total Forum Fees = \$2,250.00

1. The Panel has assessed \$1,125.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$1,125.00 of the forum fees against Respondent.

Fee Summary

1. Claimants are jointly and severally assessed the following fees:

Initial Filing Fee = \$ 225.00

Forum Fees = \$1,125.00

Total Fees = \$1,350.00

Less payments = \$ 975.00

Balance Due NASD Dispute Resolution, Inc. = \$ 375.00

2. Respondent is assessed the following fees:

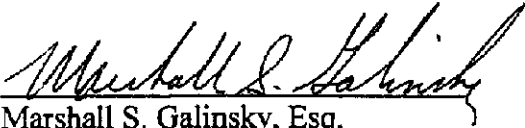
Member Fees	= \$3,100.00
<u>Forum Fees</u>	<u>= \$1,125.00</u>
Total Fees	= \$4,225.00
<u>Less payments</u>	<u>= \$3,100.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,125.00

All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Marshall S. Galinsky, Esq.	-	Public Arbitrator, Presiding Chairman
Lisa M. Kafer	-	Public Arbitrator, Panelist
Garry Lee Hogan	-	Industry Arbitrator, Panelist

Concurring Arbitrators' Signatures



Marshall S. Galinsky, Esq.
Public Arbitrator, Presiding Chairman

3/13/02

Signature Date

Lisa M. Kafer
Public Arbitrator, Panelist

Signature Date

Garry Lee Hogan
Non-Public Arbitrator, Panelist

Signature Date

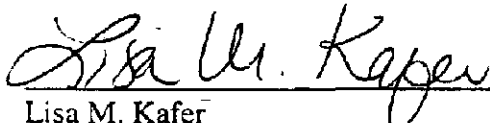
3/20/2002

Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures

Marshall S. Galinsky, Esq.
Public Arbitrator, Presiding Chairman

Signature Date



Lisa M. Kafer
Public Arbitrator, Panelist

March 12, 2002

Signature Date

Garry Lee Hogan
Non-Public Arbitrator, Panelist

Signature Date

3/20/2002

Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.

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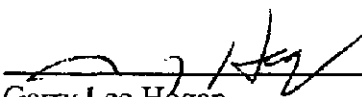
Concurring Arbitrators' Signatures

Marshall S. Galinsky, Esq.
Public Arbitrator, Presiding Chairman

Signature Date

Lisa M. Kafer
Public Arbitrator, Panelist

Signature Date



Garry Lee Hogan
Non-Public Arbitrator, Panelist

3/18/02

Signature Date

3/20/2002

Date of Service (For NASD office use only)