

**NASD DISPUTE RESOLUTION AWARD**  
**NASD DISPUTE RESOLUTION**

CASE: 03-01734

UBS PaineWebber Inc., Claimant vs. Christopher Saturley, Respondent.

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**ATTORNEYS:**

For Claimant previously appeared Romaine L. Gardner, Esq., Staten Island, NY, currently represented by Lisa A. Catalano, Esq., of the firm Davidson, Manchel & Brennan, LLP, Northvale, NJ.

Respondent appeared pro. se., Manchester, NH.

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DATE FILED: March 11, 2003

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**CASE SUMMARY:** Claimant alleged that Respondent failed to repay a deficit incurred in his UBS PaineWebber account as a result of money transfers, insufficient check funds for deposits, and MasterCard charges. Claimant maintained that due to Respondent's actions, the corporation suffered financial losses.

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**ARBITRATOR'S REPORT:** See attached Exhibit A.

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**Claim Data**

Claim: \$15,394.88  
Interest: Unspecified

Attorney Fees: Unspecified  
Filing Fees: \$1,050.00  
Other: Unspecified

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**Award Data**

Award: \$15,394.88  
Interest: At the rate of 7.625%  
per annum from 12/2/01  
till paid.

Attorney Fees: \$0.00  
Filing Fees: \$735.00  
Other: \$0.00

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**AWARD:** The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) Respondent is liable and shall pay to the Claimant \$15,394.88. 2) Respondent is liable and shall pay to the Claimant interest at the rate of 7.625% per annum from 12/12/01 until date of payment of award. 3) All requests for attorney fees are denied. 4) All other relief requests are denied. 5) The \$1,050.00 filing fee previously deposited with NASD Dispute Resolution by the Claimant, shall be retained by NASD Dispute Resolution. 6) Respondent is liable and shall pay Claimant \$735.00 as reimbursement of 70% of the filing fee.

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**OTHER FEES:** Pursuant to Rule 10333 of the Code, Claimant has paid to NASD Dispute Resolution the \$425.00 Member Surcharge previously invoiced.

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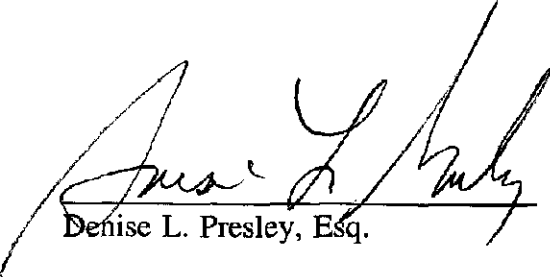
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Denise L. Presley, Esq.

Sole Public Arbitrator

**AFFIRMATION**

I, Denise L. Presley, Esq., do hereby affirm, upon my oath as arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.



Denise L. Presley, Esq.

7/18/03  
Signature Date

July 30, 2003  
Date of Service (For NASD-DR office use only)

**MEMORANDUM**

**TO:** NASD File No. 03-01734

**FROM:** Denise L. Presley, Esq.  
Public Arbitrator

**DATE:** July 11, 2003

**RE:** Award Reasoning

The Respondent admitted that his account had a deficit of \$15,394.88 in January 2002. The issue then, is the veracity of Respondent's claim that he rectified the overdraft by depositing securities on January 23, 2002. His account did reflect a transfer of a security ("PUERTO RICO CMNWLTH PUB IMP RFDG G.OBE/R/5 DUE 070124" valued at \$24,865.75) on January 23, 2003, but the Claimant did not credit the Respondent's account for said amount. For that reason, the parties were asked to submit additional information to explain the transaction, and its aftermath, vis-à-vis a positive balance that would have been due to the Respondent had he transferred the securities as alleged.

The Claimant responded, credibly, that the securities were a bond that was received in for another client and incorrectly placed in the Respondent's account. Once the error was discovered, the Respondent's account was debited \$24,865.75 and the other client's account properly credited. The Respondent's deficit was then transferred to the Claimant's general ledger account. It is unclear if this information was shared with the Respondent before June 30, 2003. Nevertheless, the information should have been disclosed in the Statement of Claim, or the Response to Answer.

The Respondent continued to maintain that he deposited securities into the account. He did not, however, present any evidence to support his claim despite the Arbitrator's request that he provide proof of ownership or receipt of deposit of these securities. Rather, in his June 30, 2003 in response to the Arbitrator's request for additional information, the Respondent stated, without documentation, that he had transferred "Massachusetts Turnpike Bonds" into the account on January 23, 2002. This representation differs from his April 7, 2003 Answer to the Statement of Claim, wherein he states that he transferred the PUERTO RICO CMNWLTH PUB IMP RFDG G.OBE/R/5 DUE 070124 bond into his account to satisfy his indebtedness.

Moreover, the Respondent's contention that he was unaware of the balance that would have been due to him, in the amount of \$9,697.37, until NASD brought the matter to his attention is not credible. Nearly three months has passed since the Respondent

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*Answered the Claimant's Statement of Claim. It is inconsistent with the Respondent's position not to have made a counter-claim for a refund of any significant balances due. Further, the Respondent's statement that he did not notice the discrepancy because the account was used "only infrequently" is odd given its bank card feature which was used frequently. [See Respondent's December 2001 Resource Management Account ("RMA").]*

In light of the foregoing, the greater weight of the evidence favors the Claimant. Still, the case might have been resolved earlier had the Claimant disclosed its mistake on the Respondent's RMA in their Statement of Claim.