

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

PAINWEBBER, INC.

Claimant
and

R. C. HANSEN

Respondent

CASE NO. 87-02434

CASE SUMMARY

PaineWebber, Inc. ("Claimant") alleged that R. C. Hansen ("Respondent") is indebted to the Claimant for the debit balance which exists in the Respondent's account.

Respondent denied the claim and further alleged a counterclaim as follows:

1. The type of option trading recommended by the Claimant's representatives to the Respondent was unsuitable; and
2. Claimant's representatives failed to disclose the risks of selling naked puts.

RELIEF REQUESTED

Claimant requested damages of \$116,074.61.

Respondent requested that the Claimant be dismissed and that he be awarded damages of \$589,959.00.

AWARD

On December 3, 1987, the NASD received the Statement of Claim from the Claimant. On March 27, 1990, during a hearing lasting two (2) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on November 25, 1987 by Richard P. Ryder on behalf of Respondent PaineWebber, Inc. The Respondent affirmed on the record at the hearing that he was submitting all disputes between the parties to arbitration as set forth in the parties pleadings except for any claim that may be asserted by the Respondent pursuant to paragraph 18 of the Respondent's Answer and the Amended Answer.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. R. C. Hansen is liable for and shall pay to PaineWebber, Inc. One Hundred Sixteen Thousand Seventy Four Dollars and Sixty-One Cents (\$116,074.61).

2. The counterclaim asserted by R. C. Hansen against PaineWebber, Inc. is hereby dismissed.

3. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund as forum fees, the \$500.00 filing fee previously deposited with the NASD by the Claimant and R. C. Hansen shall pay to the NASD as forum fees \$1,000.00 through its staff counsel.

By the Panel

Dated: 04/14/90 /S/ Daniel Eugene Bivins, III
Presiding Chair

Dated: 04/23/90 /S/ Edmund W. Golden, Esq.

Dated: 04/12/90 /S/ Cheryl D. Cassreino

Date Served: 05/31/90