

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	:	
William and Yolanda Williams	:	
	:	
Claimants	:	Case #88-01493
	:	
vs.	:	AWARD
	:	
	:	
PaineWebber, Jackson & Curtis, Inc. and	:	
David Sturgis	:	
	:	
Respondents	:	

CASE SUMMARY

Claimants, William and Yolanda Williams alleged Respondents, PaineWebber, Jackson & Curtis, Inc. knowingly and intentionally recommended and purchased unsuitable securities for Claimants account. Claimants further alleged Respondent, David Sturgis excessively traded Claimants account for the purpose of generating commissions and profits without due regard for the Claimants financial objectives. Claimants further alleged Respondent, PaineWebber, Jackson & Curtis, Inc. failed to exercise proper supervision with respect to Claimants account and breached the fiduciary duty owed to the Claimants. Respondents, PaineWebber, Jackson & Curtis, Inc. and David Sturgis maintained Claimants were in constant contact with Respondent, David Sturgis and on several occasions Claimants asked questions about the advisability of individual trades. Respondents further maintained Claimants knew and agreed with the trading strategy exercised by Respondent, David Sturgis and stated that the aggressive trading strategy was consistent with the Claimants investment strategy. Respondents further maintained that they did not breach any fiduciary duty owed to the Claimants.

RELIEF REQUESTED

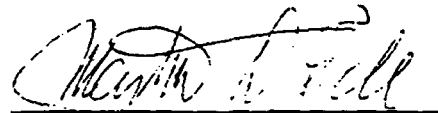
Claimants requested damages of \$109,684.00 plus interest and punitive damages in the sum of \$250,000.00 with interest. Respondents requested dismissal of claim and that costs of the proceedings be assessed against Claimants.

AWARD

On August 29, 1989, October 12, 1989 and October 13, 1989 said dates representing six hearing sessions the undersigned arbitrators heard the controversy between the parties at the offices of the National Association of Securities Dealers, Inc. located in New York City, NY as set forth in submissions to arbitration signed by Claimants, William and Yolanda Williams on April 29, 1988 and by Respondent, PaineWebber, Jackson & Curtis, Inc. on September 28, 1988 and by Respondent, David Sturgis on August 29, 1989. The Statement of Claim was filed with the National Association of Securities Dealers, Inc. on May 9, 1988. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing has determined in full and final resolution of the issues submitted for determination as follows:

1. The Respondent, PaineWebber, Jackson & Curtis, Inc. be and hereby is liable and shall pay to the Claimants, William and Yolanda Williams the sum of Twenty Thousand Dollars and No Cents (\$20,000.00) inclusive of interest.
2. The Respondents PaineWebber, Jackson & Curtis, Inc. and David Sturgis be and hereby are liable jointly and severally and shall pay the the Claimants, William and Yolanda Williams the sum of Seven Thousand Dollars and No Cents (\$7,000.00) inclusive of interest.
3. The parties shall each bear their respective costs including attorneys' fees.
4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$750.00 filing fee previously deposited by the Claimants and the Respondent, PaineWebber, Jackson & Curtis, Inc. be and hereby is liable and shall pay to the Claimants, William and Yolanda Williams the sum of Seven Hundred Fifty Dollars and No Cents (\$750.00) to offset the filing fee. In addition the Respondent, PaineWebber, Jackson & Curtis, Inc. be and hereby is liable and shall pay to the National Association of Securities Dealers, Inc. the sum of Three Thousand Seven Hundred Fifty Dollars and No Cents (\$3,750.00) to represent forum fees.

ARBITRATORS CONCURRING

  
MARTIN D. EILE

  
HENRY H. BALTER

  
JACK FRIEDMAN

DATED: October 17th, 1989