

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Shirley Foster
Elliott Foster

Claimants

vs.

PaineWebber, Inc.

Respondent

CASE #88-02227
AWARD

CASE SUMMARY

In a claim filed at the NASD on July 18, 1988, Claimants Shirley and Elliott Foster alleged that Mrs. Foster purchased 1000 shares of Shorewood during its initial public offering and that Mrs. Foster has never sold these shares. Claimants alleged, although they paid for the shares late, the purchase was made with Respondent PaineWebber's approval. Respondent claims that it liquidated Claimant Shirley Foster's position for non-payment as it claims it entitled to do. Respondent counterclaimed for sanctions against Claimants for bringing a frivolous action and costs. Claimants categorically denied the allegations in Respondent's counterclaim.

RELIEF REQUESTED

Claimants requested an award of \$25,000.00, costs and expenses, including attorney's fees.

Respondent requested that the Statement of Claim be dismissed in all respects and the costs of this arbitration proceeding as well as the damages of \$5,000.00 asserted by it in its counterclaim be granted.

AWARD

On August 14, 1989, in New York, New York the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants Shirley and Elliott Foster on July 12, 1988, and by Respondent PaineWebber, Inc. on January 19, 1989. 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. That the parties by agreement determined that Elliott Foster has no standing as a Claimant in this action and the Panel ruled that claims of Elliott Foster are therefore dismissed.

2. That Respondent shall deliver to Claimant Shirley Foster the sum of money it is holding in an account for her benefit and all interest that has accrued thereon. This would be the proceeds of sale of 1000 Shorewood Packaging which was Nine Thousand Nine Hundred Seventy Five 50/100 Dollars (\$9,975.50) plus interest that has accrued from November 28, 1986 to the date this award is paid.
3. That Respondent is liable and shall pay Claimant Shirley Foster the sum of Three Thousand 00/100 Dollars (\$3,000.00); no interest is awarded on this amount.
4. That Respondent's counterclaim is denied in all respects.
5. The parties shall each bear their respective costs including attorneys' fees.
6. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund \$400.00 filing fee previously deposited by the Claimants.
7. Pursuant to Section 43 of the Code of Arbitration Procedure, forum fees for the August 14, 1989 double session hearing shall be assessed against Respondent, such that the monies due to the NASD, Inc. from Respondent as forum fees is \$800.00.

ARBITRATORS CONCURRING


Murray I. Sommer


George R. Freund


Theodore Kimelman

Dated: September 22, 1989

STATE OF

S.S.:

COUNTY OF

On this 5th day of September, 1989, before me personally appeared MURRAY I. SOMMER to me known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same

Edward Arkin

EDWARD ARKIN
Notary Public, State of New York
No. 03-0092600
Qualified in Bronx County
Commission Expires March 30, 1990

STATE OF New Jersey
COUNTY OF Union

S.S.:

On this 7th day of Sept., 1989, before me personally appeared GEORGE R. FREUND to me known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same

Diana M. Pallante

DIANA M. PALLANTE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 17, 1994

STATE OF NY
COUNTY OF NASSAU

S.S.:

MICHAEL GENCHI
NOTARY PUBLIC, State of New York
No. 30-4860812
Qualified in Nassau County
Commission Expires May 27, 1990

On this 12 day of SEPT, 1989, before me personally appeared THEODORE KIMELMAN to me known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same

Michael Genchi