

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

George S. Yue and
Helen S. Yue

Claimant(s)

vs.

PaineWebber Inc., and
John Zohn

Respondent(s)

AWARD

CASE NO. 88-02441

SUMMARY OF ISSUES

Claimant George S. Yue alleges that he was damaged when Respondents PaineWebber Inc. and John Zohn failed to notify Claimant of a margin call in a timely manner. Claimant alleges that had he received the call, he would not have sustained said losses.

Respondents assert that Claimant is a sophisticated investor and was fully aware of the decline in equity in his account, and did not take measures to protect his equity or deposit additional equity collateral.

DAMAGES AND RELIEF REQUESTED

Claimant Yue requests damages of \$56,898.92 plus \$12,960.00 of unrealized gains due to the liquidation of his account; costs and attorneys' fees. Respondents assert that the losses in Claimants' account were due solely to market conditions, and he is, therefore, not entitled to recover anything from Respondents.

DAMAGES AND RELIEF AWARDED

On June 30, 1989 the undersigned arbitrators heard in two sessions the controversy between the parties as set forth in submissions to arbitration signed by Claimants George S. and Helen S. Yue on July 25, 1988 and by Respondents PaineWebber Inc. on October 17, 1988 and by John Zohn on March 7, 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. PaineWebber is solely liable and shall pay to Claimants George S. Yue and Helen S. Yue the sum of Twenty-six Thousand Three Hundred and Forty-three Dollars and No Cents (\$26,343.00).

2. All claims against Respondent John Zohn are dismissed.

3. The parties shall each bear their respective costs including attorneys' fees.

4. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. (NASD) Code of Arbitration Procedure, the NASD shall retain the \$500.00 filing fee previously deposited by the Claimant.

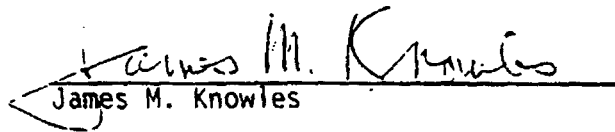
5. PaineWebber Inc. is assessed and shall pay to NASD \$500.00 in forum fees per Section 43 of the Code of Arbitration Procedure.

OTHER ISSUES

None applicable.

ARBITRATORS CONCURRING

DATE SERVED: 08/22/89


James M. Knowles

Owen Guinn Smith

Ruth Graham Glick