

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Elsmarie Norby

Claimant

vs.

PaineWebber, Inc. and
Rebecca Miller

Respondents

AWARD

CASE NO. 89-00363

SUMMARY OF ISSUES

This case was filed on February 6, 1989. Claimant alleges that Respondents induced her to purchase three, ten thousand dollar limited partnership interests, even though Respondents knew that said investments were unsuitable in light of Claimant's financial position.

Respondents allege that the investments were totally suitable and that the Claimant was fully aware of the risks inherent in the funds purchased.

DAMAGES AND RELIEF REQUESTED

Claimant seeks rescission of all investments purchased, damages of not less than \$30,000.00, interest at the rate of 12%, punitive damages of \$150,000.00, attorneys' fees and costs.

Respondents seek dismissal of the claim in its entirety plus costs.

DAMAGES AND RELIEF AWARDED

On March 6, 1990 in San Francisco, California, the undersigned arbitrators heard the controversy in two sessions between the parties as set forth in submissions to arbitration signed by Claimant Elsmarie Norby on January 31, 1989 and by Respondents PaineWebber, Inc. on April 20, 1989 and Rebecca Miller on April 14, 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. Respondents PaineWebber, Inc. and Rebecca Miller are jointly and severally liable for and shall pay to Claimant the sum of Seventeen Thousand, Eight Hundred Eighty-Six Dollars and No Cents (\$17,886.00).

2. Respondents are also jointly and severally liable for and shall pay to Claimant interest on said principal sum in the amount of Four Thousand Dollars and No Cents (\$4,000.00).

3. Claimant's claim for punitive damages is denied.

4. Rescission is granted as to the following two limited partnerships:

a. PaineWebber R&D Partners II, L.P.

b. PaineWebber/Geodyne Partnership.


Said interests shall be delivered to Respondent PaineWebber, Inc. free of all encumbrances.

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

6. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. ("NASD") Code of Arbitration Procedure, the NASD shall retain the \$400.00 filing fee previously deposited by the Claimant. Respondent PaineWebber, Inc. shall pay to Claimant the sum of \$400.00 as reimbursement to Claimant for the filing fee. Respondent PaineWebber, Inc. is also assessed and shall pay to the National Association of Securities Dealers, Inc. the sum of \$400.00 in forum fees.

PRESIDING ARBITRATORS

DATE SERVED: 04/05/90


John B. Reilly

John O. Blevins

Thomas W. Borden

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