

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
Elizabeth I. Pascoe)	
Claimant)	
vs.)	AWARD
PaineWebber, Inc.)	NASD #89-00790
Marc K. Leh)	
Respondents)	

SUMMARY OF ISSUES

Claimant alleged breach of fiduciary duty, misrepresentation, lack of suitability, churning and failure to supervise with respect to investments in certain limited partnerships, commodities, options, GNMA's and common stocks. Claimant also alleged that the large percentage of tax sheltered limited partnerships in her portfolio resulted in more tax shelter benefits than could be used as well as undesirable phantom income, for which she will incur additional tax liability.

Respondents denied all allegations, asserting that Claimant was fully informed about and approved all investments; that Claimant was a sophisticated businesswoman and was in fact suitable for the investments at the time they were made; that Claimant and her tax adviser specifically requested the tax shelter investments, the covered call writing and option straddles for the purpose of sheltering or deferring taxable income. Respondents denied liability for the activities in Claimant's commodity account as that account was managed by an outside manager.

DAMAGES AND RELIEF REQUESTED

Claimant requested damages of \$810,955.00, or in the alternative, \$518,362. Claimant also requested interest, punitive damages, attorney's fees and costs of arbitration.

Respondents requested dismissal of all claims.

Claimant originally filed this action in the Superior Court of the State of California, County of Los Angeles, Case No. C615101, on September 3, 1986. A Stipulated Order to Arbitrate was filed with the Superior Court on December 7, 1988, and the claim was filed with the NASD on March 16, 1989.

DAMAGES AND RELIEF AWARDED

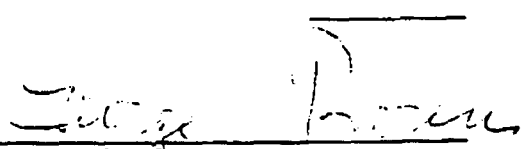
On October 31, November 1 and 2, 1990, and March 11, 12 and 13, 1991, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on March 14, 1989, by an authorized representative of PaineWebber on June 20, 1989, and by Marc Leh on May 25, 1989. The hearing was conducted in Los Angeles, California and lasted twelve (12) sessions. 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 as follows:

1. All claims brought by Claimant are dismissed.
2. The claim for punitive damages is dismissed.
3. The parties shall each bear their respective costs including attorneys' fees.
4. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$1,000.00 filing fee previously deposited by the Claimant as assessment of forum fees. Claimant is further assessed \$5,000.00 in additional forum fees. Respondents PaineWebber and Marc Leh are jointly and severally assessed \$6,000.00 in forum fees. All forum fees are payable to the NASD.

OTHER ISSUES

None.

ARBITRATORS CONCURRING



George J. Rosen