

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
Goddard Associates, Inc.)	AWARD
Claimant)	
vs.)	CASE #89-01874
Paine Webber Jackson & Curtis,)	
Inc. and Robert Peisner)	
Respondents)	

SUMMARY OF ISSUES

This case was filed with the National Association Securities Dealers, Inc., ("NASD") on June 29, 1989. Claimant alleged breach of fiduciary duty, misrepresentation, fraud, and unjust enrichment. Specifically, Claimant alleged that the purchases of common stocks on margin were unauthorized and unsuitable to Claimant's stated investment objective of conservatively investing its surplus funds in money market accounts. Claimant further alleged that Respondents acted to enrich themselves by means of commissions and margin interest charged on the transactions, and that Respondents bought the common stocks at or near the high quotation of the day.

Respondents denied the allegations and maintained that in August 1987 Claimant, through its corporate secretary, solicited the business of Respondents after attending a seminar given by Respondents on a Managed Account program concerning buying and selling under-valued growth stocks; that the account was opened and all of the account documents were reviewed and signed, including a Limited Trading Authorization Form for the broker to exercise limited discretion and a Client Agreement, both documents specifically authorizing the use of margin; that the commissions paid were regular PaineWebber agency commissions on a disclosed basis; and that all of the stocks purchased for Claimant were agency transactions of the New York Stock Exchange and it would have been mathematically impossible for Respondents to purchase on the high of the day as alleged. Respondents further maintained that the transactions now complained of were authorized and suitable for the Claimant and the losses were caused in part when the stock market crashed on October 19, 1989.

DAMAGES AND RELIEF REQUESTED

Claimant requested damages, as amended at the hearing, of \$20,416.00 for reduced value of securities; \$1,479.00 for losses on Ralston Purina; \$800.00 for lost income; \$682.00 for margin interest paid; \$12,500 for lost income; \$300.00 for telephone and correspondence costs; \$3,500.00 for attorney's fees and cost; \$1,100.00 for costs and fees for arbitration; \$700.00 for compilation of data and discovery; \$50,000.00 for emotional distress; \$45,000.00 for unspecified general damages; and unspecified punitive damages.

Respondents requested dismissal of the claim and costs.

DAMAGES AND RELIEF AWARDED

On July 3, 1990 a pre-hearing conference was held pursuant to Section 32 of the Code of Arbitration via telephone conference call and lasted one session.

On July 10, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on June 26, 1989 and by Respondents PaineWebber, Inc. on August 7, 1989 and Robert Peisner on August 4, 1989. The hearing was conducted in Los Angeles, California and lasted three sessions. The arbitration panel, having considered the pleadings, the testimony, the evidence presented at the hearing and post-hearing submission of documentation, has determined in full and final resolution of the issues submitted as follows:

1. Each and every claim is dismissed.
2. The parties shall each bear their respective costs including attorney's fees.
3. In accordance with Section 43 of the National Association of Securities Dealers, Inc. (NASD) Code of Arbitration Procedure: a) the NASD shall retain the \$400.00 filing fee previously deposited by the Claimant; and b) Claimant is further assessed the sum of \$1,200 representing forum fees to be paid to the NASD directly.

OTHER ISSUES

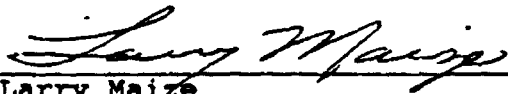
The parties stipulated to the execution and service of the award in counterpart copies.

ARBITRATORS CONCURRING

DATE SERVED: 09/05/90

Aaron Fenton

Charles D. Behm



Larry Maize