

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)

JOANNE E. KRUIDENIER
Claimant

and

PAINWEBBER, INC. AND
MICHAEL HOFKIN

Respondents)

CASE NO. 89-02207

CASE SUMMARY

Joanne E. Kruidenier ("Claimant") alleged that Michael Hofkin, a registered representative of PaineWebber, Inc. (Hofkin and PaineWebber are collectively referred to herein as "Respondent") made an unauthorized sale of Kimberly Clark securities in the Claimant's account.

Claimant further alleged that the Respondents are liable for violation of Minnesota securities laws, Minnesota common law and statute governing financial planners, breach of contract, breach of fiduciary duty, and negligence.

Respondents denied the claim and further alleged that Claimant represented that she owned a 1,000 shares of Kimberly Clark and that she authorized the Respondents to sell those shares.

RELIEF REQUESTED

Claimant requested actual damages in the amount of \$9,851.00, punitive damages of \$30,536.64, interest, attorneys' fees, and costs.

Respondents requested that the claims of the Claimant be dismissed and that they be awarded their costs incurred in defending the claim.

AWARD

On August 7, 1989 the NASD received the Claimant's claim. On May 18, 1990 during a hearing lasting two (2) sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed on August 1, 1989 by Claimant Joanne E. Kruidenier, on September 18, 1989 by Sarah Anderson on behalf of Respondent PaineWebber, Inc. and on September 28, 1989 by Respondent Michael G. Hofkin.

Having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. PaineWebber, Inc. shall be liable for and shall pay to the Claimant Eleven Thousand Seventy Two Dollars and 52/100; (\$11,072.52);

2. All claims asserted by the Claimant against Michael Hofkin are hereby dismissed;

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

4. PaineWebber, Inc. shall pay to the Claimant attorneys' fees and costs in the amount of Three Thousand Two Hundred Eighty Three Dollars and 67/100 (\$3,283.67);

5. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund as forum fees, the \$200.00 filing fee previously deposited with the NASD by the Claimant and PaineWebber, Inc. shall pay to the NASD \$200.00.

Presiding Arbitrator

Dated: May 18, 1990

/S/George A. Beck, Esq.

Date Served: 5-23-90