

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Kirk H. Lindgren

89-02966

Name of Respondent(s)

PaineWebber, Inc.
and
B. Thomas Hoffman

Case Summary

Kirk H. Lindgren ("Claimant") alleged that B. Thomas Hoffman, a registered representative of PaineWebber, Inc. (Hoffman and PaineWebber are collectively referred to herein as "Respondents") churned his account. Claimant also alleged that the respondents violated federal and state securities laws and the regulations promulgated thereunder, violated rules of the self regulatory organizations, and committed common law fraud and negligence.

The Respondents denied the claims of the Claimant and further alleged that the Respondents fully advised the Claimant of all trading activity, the Claimant accepted and ratified all of the trading that occurred in the account, and the trading was consistent with Claimant's investment objectives.

Relief Requested

The Claimant requested actual damages in the amount of \$812,568.00, punitive damages in the amount of \$1,000,000.00, interest, attorneys' fees, and costs.

The Respondents requested that the claims of the Claimant be dismissed.

79-2968

Procedural Summary and Other Issues

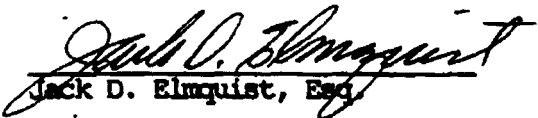
The NASD received the Claimant's claim on October 23, 1990. On September 25 and 26, 1990 in Minneapolis, Minnesota during a hearing lasting a total of four sessions, the undersigned arbitrators heard the controversy between the parties as set forth in the submissions to arbitration signed on October 17, 1989 by the Claimant, on December 6, 1989 by Joel E. Davidson on behalf of PaineWebber, Inc., and on December 12, 1990 by B. Thomas Hoffmann.

Award

The arbitration panel, 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. The Respondents shall be jointly and severally liable for and shall pay to the Claimant One Hundred Thousand Dollars and No Cents (\$100,000.00).
2. The parties shall bear their attorneys' fees and cost.
3. The Claimant's claim for punitive damages is hereby denied.
4. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the hearing session deposit in the amount of \$1,000.00 and the Respondents shall be jointly and severally liable for and shall pay to the NASD \$3,000.00.

Arbitrator(s) Signature


Jack D. Elmquist, Esq.

Angela R. Banga, Esq.

Paul J. Bordonaro