

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Camilla Louise Muriby

90-01054

Name of Respondent(s)

PaineWebber Incorporated
Richard F. Staley
Doug Hall

REPRESENTATION

For Claimant: Camilla Louise Muriby appeared pro se.

For Respondents: PaineWebber Incorporated, Richard F. Staley and Doug Hall were represented by Steven M. Greenbaum, Esq. of PaineWebber Incorporated, Miami, Florida.

CASE INFORMATION

Statement of Claim filed: April 11, 1990

Claimant's Submission Agreement signed on: April 7, 1990

Joint Statement of Answer filed by Respondents PaineWebber Incorporated, Richard F. Staley and Doug Hall on: June 13, 1990

Respondent PaineWebber Incorporated's Submission Agreement signed on: June 14, 1990 by Patricia Cowart

Respondent Richard F. Staley's Submission Agreement signed on: June 12, 1990

Respondent Doug Hall's Submission Agreement signed on: June 12, 1990

HEARING INFORMATION

Pre-Hearing Conference: None Held

Hearing Date/Sessions: October 18, 1991 for two (2) sessions

Hearing Location: Houston, Texas

CASE SUMMARY

Claimant Camilla Louise Muriby ("Muriby") alleged that Respondent Richard F. Staley ("Staley"), while employed by or acting as an agent for Respondent PaineWebber Incorporated ("PaineWebber"), misrepresented the nature of an investment in American Income Partners Limited Partnership, inducing Muriby to purchase units of the partnership which were unsuitable for an IRA

account. It was further alleged that Staley failed to provide Muriby with a prospectus for the partnership before placing her funds into the investment. Respondent Doug Hall ("Hall") was named as a party to this arbitration because he was a partner of Staley and allegedly prepared an account proposal for asset allocation of the IRA.

Respondents PaineWebber, Staley and Hall denied the material allegations of the Statement of Claim, alleging that:

1. Muriby met with Staley on more than seven separate occasions for 16-20 hours prior to purchasing the investment, during which Staley carefully discussed her options with her;
2. Muriby signed a letter on September 20, 1989 when the purchase was made acknowledging that she assumed full responsibility for the appropriateness of the investment and which clearly referred to the investment as a limited partnership;
3. Muriby received a copy of the prospectus on September 20, 1989; and
4. Staley took a great deal of care in learning Muriby's risk considerations, exploring the options available before placing Muriby in the partnership which was appropriate for her financial goals in planning for her retirement.

RELIEF REQUESTED

Claimant Muriby requested entry of an award against Respondents in the sum of \$60,000.00 for the original investment cost; interest in the amount of \$2,400.00 representing interest at the rate of 8% from September 30, 1989 to the filing of the claim; \$1,500.00 for "cost recovery" and \$10,000.00 for punitive damages.

Respondents PaineWebber, Staley and Hall requested that the claim be denied in all aspects.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

Prior to opening arguments on October 18, 1991, Respondent Hall presented a Motion for Summary Judgment. The panel heard arguments by the parties. Upon review, the panel determined that the Motion would be taken under advisement pending the presentation of the evidence.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents PaineWebber Incorporated and Richard F. Staley are jointly and severally liable for and shall pay to Claimant Camilla Louise Muriby the sum of \$55,800.00;
2. Upon receipt of payment of the sum enumerated in paragraph one (1) above, the Claimant shall immediately cause her entire interest in the American Income Partners V to be transferred jointly to Respondents PaineWebber Incorporated and Richard F. Staley;
3. The Motion for Summary Judgement made by Respondent Doug Hall is hereby granted with a specific finding that Hall had no involvement in the matter;
4. The claim for punitive damages is hereby dismissed and denied in its entirety;
5. The parties shall bear their own costs of arbitration, including attorneys' fees, except for those specifically enumerated herein.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed.

The total forum fees are: \$500.00 x Two (2) sessions = \$1,000.00. The National Association of Securities Dealers, Inc. shall retain the \$150.00 claim filing fee and refund the \$350.00 hearing session deposit previously deposited by the Claimant Camilla Louise Muriby. Respondent PaineWebber Incorporated is liable for and shall pay to the NASD forum fees in the sum of \$1,000.00.

Fees are payable to the National Association of Securities Dealers, Inc.

BY THE ARBITRATION PANEL

Dated:

Patrick Lanier
Patrick Lanier, Esq.
Public Arbitrator
Chairperson

December 23, 1991

Charlotte F. Simpson
Charlotte F. Simpson
Public Arbitrator

December 23, 1991

James F. Taylor
James F. Taylor
Industry Arbitrator

December 26, 1991