

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	x
	x
Bruce McDonnell	x
Claimant	x
	x CASE NO.
vs.	x 90-01829
	x
PaineWebber, Inc.	x AWARD
and Sean Hanlon	x
Respondents	x
	x

CASE SUMMARY

Claimant, Bruce McDonnell ("McDonnell"), alleged that Respondent Sean Hanlon ("Hanlon"), employed by Respondent PaineWebber, Inc. ("PaineWebber"), purchased and sold unsuitable investments in McDonnell's pension plan account without the knowledge or consent of McDonnell, and that these transactions were effected solely to generate commissions for Hanlon. In addition, McDonnell alleged that Hanlon failed to liquidate his Krupp Insured Plus II Fund in accordance with his instructions, and that PaineWebber failed to properly supervise Hanlon.

PaineWebber and Hanlon contended that Hanlon discussed every trade with McDonnell prior to its execution, and that all recommendations by Hanlon were suitable.

RELIEF REQUESTED

McDonnell requested actual damages of \$23,785.26, plus interest at 12% and punitive damages. PaineWebber and Hanlon requested dismissal of all claims made against them.

AWARD

On March 21, 1991, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimant Bruce McDonnell on June 25, 1990, by Respondent PaineWebber, Inc. on October 5, 1990, and not by Respondent Sean Hanlon as is required by Section 12 of the NASD's Code of Arbitration Procedure. The initial claim was filed on June 28, 1990. The hearing was conducted at the offices of the National Association of Securities Dealers, Inc. in Philadelphia, PA, and consisted of two (2) hearing sessions. The arbitrator having considered the pleadings, the testimony,

and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Pursuant to the by-laws of the National Association of Securities Dealers, Inc., the arbitrator determined that Respondent Sean Hanlon was required to submit to this arbitration, and is, therefore, bound by this arbitrator's rulings and determinations.
2. Respondents PaineWebber, Inc. and Sean Hanlon be and hereby are jointly and severally liable and shall pay to the Claimant Bruce McDonnell the sum of Twenty Three Thousand Seven Hundred Eighty Five Dollars And Twenty Six Cents (\$23,785.26), plus 9% interest from December 1, 1987 until the satisfaction of this Award.
3. The Claimant's request for punitive damages is denied in full.

Form Fees:

4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$500.00 filing fee previously deposited by the Claimant, and PaineWebber be and hereby is liable and shall pay to the National Association of Securities Dealers, Inc. the sum of TWO HUNDRED DOLLARS AND NO CENTS (\$200.00), as costs of the two (2) hearing sessions conducted in this matter.

CONCURRING ARBITRATOR



D. Joan Sampieri

Dated:

Apr. 15, 1991