



N.A.S.D. AWARD

Arbitration

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of  
Securities Dealers, Inc.  
NASD Financial Center  
33 Whitehall Street  
New York, New York 10004

In the Matter of the Arbitration Between

Name of Claimant

Ellinor Pederson

vs

90-02080

Name of Respondents

PaineWebber, Inc.  
William Todd

Heard before the members of the Arbitration Panel:

Name

William M. Prifti, Esq.

Public/Industry

Public-Chairperson

Simon J. Tager

Public

Elwyn J. Miller

Industry

Representation

Claimant - Thomas H. Tucker, Esq.  
McGowan, Engel, Tucker, et al.

Respondents - Patrick J. Howley, Esq.  
PaineWebber, Inc.

CASE SUMMARY

This claim was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on July 27, 1990. Claimant, Ellinor Pedersen, alleges that in 1986 and 1987 Respondent, William Todd, made trades of securities such as Numerica Financial Corp., Travellers Corp. and Ames Department Store. Claimant contends that Respondents breached their contract, violated NASD Rules of Fair Practice, made unsuitable recommendations regarding certain securities and trading on margin, misrepresented facts to Claimant concerning the purchases of utility stock, and negligently handled her accounts after June, 1987 when she advised him to transfer her monies to more conservative investment vehicles such as an annuity.

In a Statement of Answer filed with the NASD on January 25, 1991,

Respondents deny the allegations of unsuitability, unauthorized trades and that they failed to implement Claimant's request to transfer her monies into an annuity. Respondents allege that Claimant traded on margin prior to the time Todd service her account. Respondents contend that Claimant made profits in her account, that the losses sustained were due to the stock market crash of October, 1987, and that Claimant failed to mitigate her losses as advised. Respondents further asserted eight Affirmative Defenses.

#### RELIEF REQUESTED

Claimant requests that the panel award her \$47,381 (\$45,832 against Respondent, PaineWebber, Inc.) plus twelve percent interest (offset by the appropriate amount of dividends) or such other amount as the panel determines appropriate.

Respondents request that the panel dismiss the Statement of Claim in its entirety and assess costs against the Claimant.

#### AWARD

On May 01, 1991, in Boston, Massachusetts during a hearing lasting two (2) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant, Ellinor Pedersen, on June 26, 1990, signed by Romaine L. Gardner on behalf of Respondent, PaineWebber, Inc., on January 21, 1991. Respondent, William Todd did not execute a submission agreement.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award 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.

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

1. All claims asserted against the Respondents are hereby denied in their entirety;
2. The parties shall each bear their respective costs including attorneys' fees;

#### FORUM FEES

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

1. The NASD shall retain the \$120.00 non-refundable filing fee which was

previously deposited by the Claimant;

2. The NASD shall retain the \$400.00 hearing session deposit which was previously deposited by the Claimant;

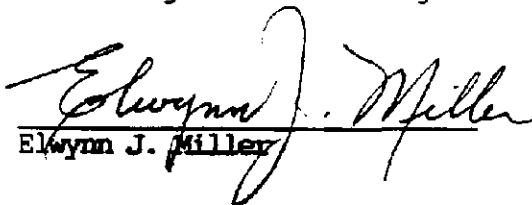
3. Forum fees for two hearing sessions in the amount of \$800.00 has been assessed as outlined in the ensuing paragraphs;

4. Claimant is assessed a non-refundable filing fee of \$120.00 and forum fees in the amount of \$400.00. Said fees shall be satisfied by applying the \$520.00 which was previously deposited by the Claimant;

5. Respondents are jointly and severally assessed forum costs in the amount of \$400.00.

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

Concurring Arbitrators Signature

  
Elwynn J. Miller

DATED BY NASD  
MAY 23, 1991

Date of Decision:

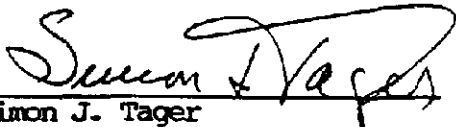
May 20, 1991

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Concurring Arbitrators Signature

  
Simon J. Tager

DATED BY NASD  
MAY 23, 1991

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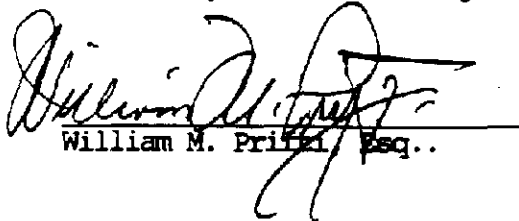
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Concurring Arbitrators Signature

  
William M. Prifer, Esq..

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MAY 23, 1991

Date of Decision:

May 20, 1991