

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

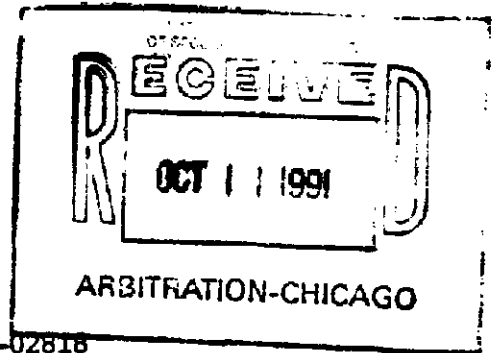
JEANNE RALPH

Claimant

and

PAINWEBBER, INC.

Respondent



90-02818

REPRESENTATION OF PARTIES

Claimant was represented by T. Tarry Beasley, II, Esq. of Memphis, Tennessee. Respondent was represented by Edward G. Werner, Esq. of PaineWebber, Inc., New York, New York.

CASE SUMMARY

In a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about October 9, 1990, Claimant Jeanne Ralph ("Claimant") alleged that Respondent PaineWebber, Inc. ("PaineWebber") invested \$25,000 in PaineWebber High Yield Portfolio. Claimant alleged that PaineWebber did not furnish Claimant with a prospectus prior to or subsequent to the investment. Claimant alleged that she was not a sophisticated investor, had limited economic resources and could not risk one-third of her assets in a single investment subject to economic and interest rate fluctuations. Claimant alleged that she was not advised of any of the risks factors concerning the bond portfolio; and that she was not advised to seek a safer investment or one with a lower risk of loss of principal due to her economic and health situation.

In a statement a answer filed with the NASD on February 26, 1991, PaineWebber denied the allegations of the claim. PaineWebber alleged that the risks of the investment were fully discussed with Claimant. PaineWebber asserted that the investment was well suited for Claimant based upon her desire to maximize her income through interest on her principal. PaineWebber also asserted that the bond fund was well diversified and that Claimant could have sold her investment at a profit when she first noticed a fluctuation of the market value in 1986. PaineWebber asserted affirmative defenses including but not limited to ratification, estoppel, waiver, laches and the claims were barred by applicable statutes of limitations.

RELIEF REQUESTED

Claimant requested an award of \$12,351.29, costs, expenses, attorney's fees and such award as may be deemed appropriate. PaineWebber requested dismissal of the claim with costs of the Claimant.

OTHER ISSUES

The presiding arbitrator denied Claimants' motion to bar Respondent's defenses to the claim.

PROCEDURAL MATTERS

On August 14, 1991 in Memphis, Tennessee during a hearing lasting a total of two (2) sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed on October 4, 1990 by Claimant Jeanne Ralph and on February 25, 1991 by Romaine L. Gardner on behalf of Respondent PaineWebber, Inc.

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 original(s) remain on file with the NASD.

AWARD

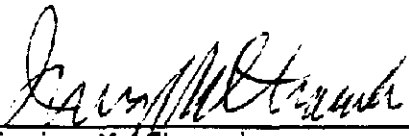
The presiding arbitrator having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. The claims asserted against PaineWebber by Claimant shall be and are hereby denied and dismissed in their entirety;
2. The parties shall each bear their own costs, expenses and attorneys' fees incurred in this matter; and

3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the claim filing fee and hearing session deposit in the amount of \$500.00 previously deposited with the NASD by the Claimant Jeanne Ralph. PaineWebber is assessed additional forum of fees of \$400.00.

Dated:

10/7/91


Irving M. Strauch
Presiding Chair
Public Arbitrator

Dated Served by NASD:

10/24/91