

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between
Christopher J. McDonald
vs.
PaineWebber, Inc.
Charles Verner
Respondents

Claimant

CASE #91-00528
AWARD

CASE SUMMARY

Pro Se Claimant, Christopher J. McDonald, in a claim filed with the National Association of Securities Dealers, Inc. on February 19, 1991, alleged that Respondent Charles Verner at PaineWebber, Inc. in Lauderdale-by-the-Sea, Florida failed to follow his investment objectives, misrepresented the safety of the investment recommended and was continually discourteous.

Respondents, in a joint Statement of Answer submitted by their counsel, Joseph F. Generelli, Esq., maintained that Claimant was fully informed of the risks involved in the investments that were made, that he read prospectuses for the investments and chose not to sell the CIF #20 Bond Fund when it declined in value. Respondents continue that Mr. Verner did not, at any time, imply a guarantee of principal and answered, to the best of his ability, all of Claimant's questions.

On April 16, 1991, Respondents filed an objection to the amended recovery request submitted by Mr. McDonald.

Claimant replies that he never received prospectuses for either the CIF #20 Bond Fund or the Krupp Cash Plus 4. He states that he does not have "poor eyesight" but is blind. Mr. McDonald continues that the moneys invested were his life savings and that he repeatedly told Mr. Verner that he did not want any type of investment that would jeopardize his principal. In response, Claimant alleges that Mr. Verner assured him that his investment would be secure. He states that he never received or requested the letter of Respondent's Exhibit B and that he maintained contact with Mr. Verner by telephone at least once a month. He continues that Mr. Verner did not answer his questions, was very rude, did not explain any risks involved and at no time was he given the

opportunity to sell the Fund.

Respondents on May 8, 1991 agreed to waive a formal hearing and proceed to have this case determined on the merits of the papers submitted. Claimant also waived the right to a formal hearing.

RELIEF REQUESTED

Claimant originally requested Six Thousand Dollars and No Cents (\$6,000.00) in damages but later amended his claim to reference the appropriate amount of his original investment Thirteen Thousand Seven Hundred Fifty Dollars and No Cents (\$13,750.00)

Respondents request dismissal of the claim in its entirety together with costs of this proceeding and filed an objection to Claimant's amended recovery request.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Procedure, a single Public Arbitrator, David I. Burstein, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 13, 1991 and by the Respondents on April 3, 1991 and March 22, 1991, respectively;

And, that the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. That the Respondents, PaineWebber, Inc. and Charles Verner, are jointly and severally liable and shall pay to the Claimant, Christopher J. McDonald, the sum of Thirteen Thousand Seven Hundred Fifty Dollars and No Cents (\$13,750.00).
2. The parties shall bear their respective costs including attorney's fees.
3. The One Hundred Fifty Dollars and No Cents (\$150.00) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. and is assessed jointly and

severally against the Respondents who shall pay
One Hundred Fifty Dollars and No Cents
(\$150.00) to the Claimant.

AFFIRMATION

I, DAVID I. BURSTEIN, ESQ., do hereby affirm upon my oath as
arbitrator that I am the individual described herein and who
executed this instrument, which is my oath and award.



Signature of Arbitrator

Executed &

DATED:

July 28, 1991.