

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :
:
-- Jack W. Fuller :
:
: Claimant :
:
vs. :
:
PaineWebber, Inc. :
:
Respondent :

CASE #91-01079
AWARD

CASE SUMMARY

Pro Se Claimant, Jack W. Fuller, in a claim filed with the National Association of Securities Dealers, Inc. on April 5, 1991, alleged that Respondent PaineWebber, Inc. by its broker, Gary Cordrey, recommended an inappropriate and unacceptable investment of Integrated Resources Bonds for his IRA account. He continues that the rating for the bonds made them unsuitable and not compatible with his stated objectives of low risk investments.

Respondent, PaineWebber, Inc. by its attorney, William McC. Montgomery, states Claimant knew of the risk and rating of Integrated Resources senior subordinate debentures and willfully assumed said risks. They continue that Claimants' primary investment objectives were realized by 80% of his IRA portfolio and that his secondary objective of "capital gains" prompted the investment in Integrated Resources which sold at a discount with a yield of 10.75. Respondent states that Integrated appeared to be sound, based on available information.

Claimant replies that his agreement with Mr. Cordrey was for all of his IRA investments to be of good, safe quality and never to be partitioned between safe and high-risk. He states that he was not aware of stock ratings at the time of purchase and that Mr. Cordrey continually recommended that he should wait and not take action to sell the bond.

RELIEF REQUESTED

Claimant requests damages of Five Thousand Dollars and No Cents (\$5,000.00)

Respondent requests that Claimant take nothing and be afforded

no relief and that Respondent recover costs and expenses including reasonable attorney's fees.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Alan Stamm, 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 March 25, 1991 and by the Respondent on May 21, 1991;

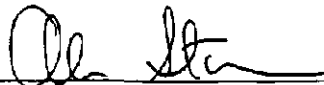
And, that the Arbitrator, having considered the proof of the Parties, has decided and determined in full and resolution of the issues submitted for determination as follows:

1. That the Respondent PaineWebber, Inc. is liable and shall pay to the Claimant Jack W. Fuller the sum of Five Thousand Dollars and No Cents (\$5,000.00).
2. That as part of the foregoing Award, Claimant shall - upon his receipt of Five Thousand Dollars and No Cents (\$5,000.00) from Respondent PaineWebber, Inc. - convey to PaineWebber, Inc. the \$5,000.00 principal amount Integrated Resources 10.75% Sr Sub Debenture, due 04/15/96, held by Claimant's IRA Account -- and, if said security is no longer held by said Account, Claimant's \$5,000.00 Award shall be reduced by the amount of net proceeds (if any) received by said Account upon the transfer or other disposition of said security.
3. The parties shall bear their respective costs including attorney's fees.
4. The One Hundred Twenty-Five Dollars and No Cents (\$125.00) 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 against the Respondent, PaineWebber, Inc., who shall pay One Hundred Twenty-Five Dollars and No Cents (\$125.00) to the Claimant, Jack M. Fuller.

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AFFIRMATION

I, **ALAN STAMM, 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.

A handwritten signature in cursive script, appearing to read "Alan Stamm", is written over a horizontal line.

Signature of Arbitrator

DATED: August 26, 1991