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NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the **Matter of** the Arbitration Between

PaineWebber, Inc.

Claimant

vs .

Brad Ferlane

Respondent

CASE #91-01352  
AWARD

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: : CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on April 30, 1991, Claimant PaineWebber, Inc. through its in-house counsel Garry J. Stegeland, Esq., alleged that Respondent Brad Ferlane failed to satisfy margin calls in his customer account when his Verifone Inc. stock decreased in value causing a debit balance in the Respondents' account. Claimant further alleged that pursuant to the Respondent's instructions, the position was sold because he was unable to meet the margin calls in his account. The Claimant further alleged that in connection with the deficit remaining in his account, Respondent Brad Ferlane signed a Promissory Note accepting full responsibility for the remaining deficit and promising to make payments. However, Respondent Brad Ferlane made one late payment and never made the promised installment payments.

Respondent Brad Ferlane failed to file a Statement of Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant, PaineWebber, Inc. requested \$2,465.27 in damages, plus interest, attorney's fees and return of the NASD filing fee.

Respondent Brad Ferlane failed to file an answer to the Statement of Claim.

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AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Suzanne B. Hildebrandt, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on April 23, 1991 and not by the Respondent as required by Section 13 of the NASD Code of Arbitration Procedure and the signed client's agreement.

1. In accordance with Section 13 of the NASD Code of Arbitration Procedure the Respondent was served a copy of the Statement of Claim by regular and certified mail and given an opportunity to respond, which he failed to do. The Arbitrator determined the Respondent had notice of the claim against him.
2. Pursuant to the By-Laws of the NASD the arbitrator determined that Respondent Brad Ferlane was required to submit to this arbitration proceeding and is, therefore, bound by the arbitrator's ruling and determination.

And, 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:

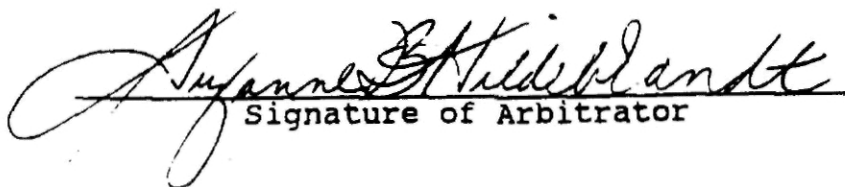
1. The Respondent Brad Ferlane is liable and shall pay \$2,465.27 in damages to the Claimant, PaineWebber, Inc.
2. The Respondent Brad Ferlane is liable and shall pay to the Claimant simple interest at the rate of 8% per annum from 10/15/90 to the date of payment of this award.
3. Respondent Brad Ferlane is liable and shall pay \$246.52 to the Claimant for attorney's fees.
4. The \$575 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

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AFFIRMATION

I, SUZANNE B. HILDEBRANDT, 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

== DATE OF DECISION: January 29, 1992