

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
One East Broward Boulevard
Suite 1000
Ft. Lauderdale, Florida 33301
(305) 522-7391

In the Matter of the Arbitration Between

Name of Claimant(s)

Agnes R. Benito

91-02126

Name of Respondent(s)

PaineWebber, Inc.
Martin Sloane

REPRESENTATION

Claimant, Agnes R. Benito ("Benito"): pro se.

For Respondent, PaineWebber, Inc. ("P.W.") and Martin Sloane ("Sloane"):
Steven M. Greenbaum, Esq. of PaineWebber, Inc.

CASE INFORMATION

Statement of Claim filed: 7/11/91.

Claimant's Submission Agreement signed on: 7/8/91.

A joint Statement of Answer filed by Respondents P.W. and Sloane on: 9/9/91.

Respondent, P.W.'s Submission Agreement signed on: 9/5/91 by Patricia E.
Covart, Esq. on behalf of the firm.

Respondent, Sloane's Submission Agreement signed on: 9/5/91.

HEARING INFORMATION

Hearing Date/Sessions: 8/21/92-One (1) session.

Hearing Location: Tampa, Florida.

CASE SUMMARY

Claimant alleged that she is a 72 year old widow and that she purchased annuities from Executive Life Insurance Company ("Executive Life") in 1982 through Respondents. Claimant stated that on April 11, 1991, the California insurance regulators seized Executive Life and froze all available funds due to alleged fraud and mismanagement and that she did not become aware of Executive Life's financial situation until April 15, 1991.

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Claimant alleged that despite several discussions with Sloane, prior to April 11, 1991, with regard to the annuities, Sloane claimed that he forgot that Claimant owned said annuities. Claimant contended that she should not sustain the resulting financial loss due to the failure of Respondents to inform her of the financial problems of Executive Life.

Respondents denied all allegations of wrongdoing and maintained that P.W. had no knowledge of the seizure of Executive Life until the regulators moved in and froze its assets and that at that time, even assuming P.W. had a duty to provide information to its customers who purchased Executive Life, which Respondents denied, customers like Benito would not have been able to improve their financial position vis a vis other annuitants of Executive Life policies. Respondents contended that at the present time, Claimant's annuity is frozen in conjunction with the investigation of Executive Life and that any claim Claimant might have should be against Executive Life, its management or the trustee in charge of liquidation and not against Respondents.

RELIEF REQUESTED

Claimant requested an award in the amount of \$11,206.98.

Respondents requested dismissal of the Claim plus costs and reasonable attorneys' fees.

NASD

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

1. Respondents, PaineWebber, Incorporated and Martin Sloane, are found not liable and, therefore, all claims against them are hereby dismissed;
2. Respondents' requests for attorneys' fees and costs are hereby denied.

OTHER COSTS

The parties shall each bear their own costs and expenses incurred in connection with this proceeding.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the arbitrator has assessed forum fees in the amount of \$300.00 (One Session X \$300.00).

1. Claimant is hereby assessed forum fees in the amount of \$300.00 for which the NASD shall retain the \$300.00 previously deposited by Claimant in full satisfaction thereof;

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2. The NASD, Inc. shall retain the \$100.00 non-refundable deposit previously paid by Claimant.

ARBITRATOR

Arbitrator's Signature



David A. Townsend, Esq.
(Sole Public Arbitrator)

Date of Decision: October 19, 1992