

PUBLIC

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between :

PaineWebber, Inc. :

Claimant :

vs. :

D.R.S. Holdings, Inc. :

Respondent :  
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CASE #91-02290  
AWARD

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 26, 1991, Claimant PaineWebber, Inc. who appeared Pro Se, alleged that Respondent D.R.S. Holdings, Inc. purchased 2,000 shares of Ryan Beck & Co., Inc. and paid for this purchase using three separate checks. Respondent, PaineWebber, Inc. further alleged that two of these checks were returned for insufficient funds, causing a debit in the Respondent's account. The Claimant also alleged that although the positions in the account were liquidated, a debit balance still exists.

Respondent, D.R.S. Holdings, Inc. failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant, PaineWebber, Inc. requested \$1,369.34, plus interest, attorney's fees and return of the NASD filing fee.

Respondent, D.R.S. Holdings, Inc. failed to file an Answer to the Statement of Claim.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Paul A. Yates, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on July 15, 1991 and not signed by the Respondent, D.R.S. Holdings, Inc. as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

1. In accordance with Section 13 of the NASD Code of Arbitration Procedure the Respondent, D.R.S. Holdings, Inc. was served a copy of the Statement of Claim by regular mail and given an opportunity to respond, which it failed to do. Service of the claim was effected as evidenced by the package containing the claim sent via certified mail, which was not returned.

Reasonable attempts to notify Respondent D.R.S. Holdings, Inc. of the arbitrator's identity were made as evidenced by the returned certified mail letter marked "unclaimed".

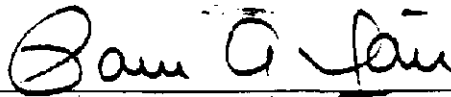
2. Pursuant to the By-Laws of the NASD the arbitrator determined that Respondent D.R.S. Holdings, Inc. was required to submit to this arbitration proceeding and is, therefore, bound by the arbitrator's ruling and determination.

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. Respondent, D.R.S. Holdings, Inc. is liable and shall pay to Claimant, PaineWebber, Inc. \$1,369.34 in actual damages, plus interest at the rate of 10% from December 3, 1990 to the date of payment of the award.
2. Respondent, D.R.S. Holdings, Inc. is liable and shall pay to Claimant, PaineWebber, Inc. \$136.93 in attorney's fees pursuant to the client agreement.
3. Claimant, PaineWebber, Inc. is to file a bad check complaint with the appropriate authority in Silver Springs, MD within 60 days of the date of this Award. A copy of this filing shall be sent to Respondent, D.R.S. Holdings, Inc. to the attention of Donald R. Snodgrass.
4. The parties shall bear their respective costs, including attorney's fees.
5. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent, D.R.S. Holdings, Inc. shall pay \$575.00 to Claimant, PaineWebber, Inc. as reimbursement.

AFFIRMATION

I, PAUL A. YATES, 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 "Paul A. Yates", is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION: September 2, 1992