

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

Mark M. Gates :

Claimant :

vs. :

PaineWebber, Inc. :

Respondent :
-----CASE #91-02507
AWARDCASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 13, 1991, Claimant Mark M. Gates who appeared Pro Se, alleged that Respondent PaineWebber, Inc. wrongfully liquidated a purchase of Solomon Warrants, which were purchased on margin and were liquidated prior to the settlement date. The Claimant further alleged that three days after the purchase date he found out his broker had left the firm and that another broker had taken over the account, who he was unable to reach by telephone and who failed to correct the unauthorized liquidation.

Respondent, PaineWebber, Inc. through their in-house counsel, Joseph F. Generelli, Esq., maintained that the Claimant was attempting to "freeride", by purchasing and selling stock without putting up any money, and that they prevented him from doing so. Respondent further maintained that it acted in accordance with Federal Reserve Board Regulation T, which prohibits "freeriding", when they liquidated the Claimant's account.

RELIEF REQUESTED

Claimant, Mark M. Gates requested \$6,009.50 in actual damages.

Respondent, PaineWebber, Inc. requested the claims of the Claimant be dismissed.

AWARD

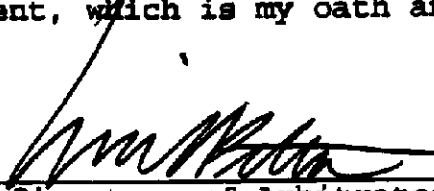
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Louis D. Peterson, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on August 9, 1991 and by the Respondent on October 11, 1991.

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 PaineWebber, Inc. is liable and shall pay \$1,504.40 in actual damages to Claimant Mark M. Gates.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

I, LOUIS D. PETERSON, 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: May 12, 1992