

**N.A.S.D. AWARD****NATIONAL ASSOCIATION OF SECURITIES DEALERS****National Association of  
Securities Dealers, Inc.  
NASD Financial Center  
33 Whitehall Street  
New York, N.Y. 10004  
FAX (212) 858-4389**

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**In the Matter of the Arbitration Between****Name of Claimant****William Yakal****vs.****Case #  
91-02884****Name of Respondents****PaineWebber, Inc.  
Christopher Papa  
Allen G. Snider**

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**REPRESENTATION****For Claimant: Pro se.****For Respondent: Edward Werner, Esq., in-house counsel.****CASE INFORMATION****Statement of Claim filed: September 18, 1991.****Claimant's Submission Agreement signed on: September 12, 1991.****Joint Statement of Answer filed by Respondents, Christopher Papa, Allan G. Snider, and PaineWebber, Incorporated, on: November 01, 1991.****Joint Amended Statement of Answer filed by Respondents on: November 04, 1991.****Respondent's, Christopher Papa, Submission Agreement signed on: October 15, 1991.****Respondent's, Allan G. Snider, Submission Agreement signed on: November 26, 1991.****Respondent's, PaineWebber, Incorporated, Submission Agreement signed on: November 27, 1991.****HEARING INFORMATION****Pre-Hearing Conference: February 28, 1992 - One session with Arbitrator.****Hearing Date/Hearing Session: March 05, 1992 - Two sessions.****Hearing Location: New York, New York.**

CASE SUMMARY

Claimant, William Yakal, alleges that at the time of his investment with PaineWebber, Inc., he and his wife were retired and had a conservative investment objective. Claimant further alleges that Christopher Papa, an investment executive employed by the Respondent firm talked him into transferring his IRA to the firm with the understanding that Papa would purchase U.S. Treasury bonds. Claimant contends that Mr. Papa instead manipulated him into purchasing Putnam Premier Income Trust and stated that this investment was the closest Claimant could get to a U.S. Treasury. In addition, Claimant asserts that Mr. Papa said Putnam had a higher yield with both safety and growth characteristics. Claimant further alleges that he did not become aware that the investment was comprised of junk bonds and foreign bonds until he received the first quarterly report because Mr. Papa failed to provide him with a prospectus.

Claimant also alleges that when the price of the shares started to fall, Mr. Papa reassured him that the shares had a net asset value of \$8.00. Claimant also alleges that it was not until Jay Martin and Allen G. Snider took over his account in June 1990, that Mr. Snider advised him to sell the shares. Claimant alleges he did not sell until October 02, 1990 when the market price per share was \$6.25.

Respondents deny the allegations and deny liability. Respondents also asserted three affirmative defenses. Respondents contend that Claimant's initial contact with the firm occurred when he inquired about conservative investment vehicles which high yields. Respondents contend that Mr. Papa suggested certificates of deposit and government securities but Claimant was not interested because the yields were not high enough. Respondents further contend that it was Claimant who contacted Mr. Papa regarding Putnam Premier Income Trust. Respondents contend that Mr. Papa provided Claimant with information about the security, including the prospectus and Standard & Poor's sheet.

Respondents deny that Claimant's account was transferred to Mr. Snider and Mr. Marvin and contend that the account was transferred at Claimant's request. Respondents assert Claimant contacted Mr. Snider and Mr. Marvin as a result of an annuity advertisement that was placed in a New Jersey newspaper and purchased an annuity through them.

RELIEF REQUESTED

Claimant requests an award of \$4,350.59 plus interest of \$2,787.00.

Respondents request that the claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed to received conformed copies of the Award while the originals remain on file with the NASD.

AWARD

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. All claims asserted against the Respondents are denied in their entirety.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

1. Claimant is assessed \$50.00 non-refundable filing fee;
2. Claimant is further assessed \$200.00 for two hearing sessions at \$100.00 per session;
3. Claimant shall receive a credit of \$150.00 which was previously paid. Therefore, the total due from Claimant is \$100.00;
4. Respondent, PaineWebber, Inc., is assessed \$100.00 for the pre-hearing conference which was held on February 28, 1992.

Fees are payable to the National Association of Securities Dealers, Inc.

Arbitrator's Signature

Name

  
Dora M. Lassing

Public/Industry

Public - Sole Arbitrator

Executed on

~~Date of Decision:~~ 3-31-92

Date of Decision: April 1, 1992