

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Douglas J. Beseth

vs.

NASD #91-03211

Name of Respondents

PaineWebber, Inc.
Gregory Wallace

REPRESENTATION

For Claimant: H Thomas Fehn, Esq., Fields, Fehn & Sherwin, Los Angeles, California

For Respondents: Judy Louis, Esq., PaineWebber, Inc., Los Angeles, California

CASE INFORMATION

Statement of Claim filed: October 15, 1991

Claimant's Submission Agreement signed: September 24, 1991

Joint Statement of Answer filed: December 17, 1991

Respondents' Submission Agreements signed:
PaineWebber: December 5, 1991
Gregory Wallace: November 25, 1991

HEARING INFORMATION

Hearing Date/ Sessions: July 21, 1992 (two sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged unsuitable securities transactions, misrepresentations and breach of fiduciary duty with respect to his investments in senior debt obligations of Care Enterprises, Inc.

Respondents denied the allegations, and asserted that Claimant was fully informed of the risks of the investments, that Claimant failed to state a cause of action upon which relief may be granted, and that Respondents are not liable for any losses Claimant suffered as a result of the bankruptcy of Care Enterprises.

RELIEF REQUESTED

Claimant requested damages of \$65,000.00, plus interest, costs and attorney's fees.

Respondents requested dismissal of all claims and an award of costs of arbitration and attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive 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 arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay to Claimant the sum of \$4,125.00 only.
2. The parties shall each bear their respective costs including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$500 hearing session deposit previously made.

ARBITRATION PANEL

Public/Industry

Public Arbitrator
Public Arbitrator
Industry Arbitrator

Edward Kamenir
Edward Kamenir

DATE SERVED: 08/19/92

Date of Decision: July 21, '92