

## NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between :

PaineWebber, Inc. :

Claimant :

vs. :

Eric Schneider :

Respondent :  
-----CASE #91-03574  
AWARDCASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on November 13, 1991, Claimant PaineWebber, Inc. through its in-house counsel, Garry J. Stegeland, Esq., alleged that Respondent Eric Schneider, a customer of the Claimant firm, executed several buys and sells of option contracts, but failed to make payment to the Claimant for these trades. The Claimant further alleged that although it has made several attempts to collect payment, the Respondent has made no payments.

Respondent Eric Schneider failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant PaineWebber, Inc. requested \$8,345.55 in actual damages, plus interest, attorney's fees and return of the NASD filing fee.

Respondent Eric Schneider 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, Joan Steinman, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on October 28, 1991 and not by the Respondent 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 was served a copy of the Statement of Claim by certified mail and given an opportunity to respond, which he failed to do. This certified package was returned "unclaimed", indicating the Respondent to be at the address in question.

In addition, Claimant PaineWebber, Inc. submitted an affidavit of special service executed by John C. Maher, who stated that a copy of the claim was hand delivered to a male, who may reasonably have been the Respondent.

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

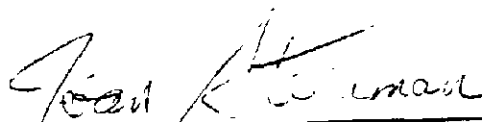
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Eric Schneider is liable and shall pay to Claimant PaineWebber, Inc. \$8,345.55 in actual damages, plus simple interest at the rate of 7% from August 22, 1991 to the date of payment of the award.
2. Respondent Eric Schneider is liable and shall pay to Claimant PaineWebber, Inc. attorney's fees in the amount of \$834.55 pursuant to the client agreement.
3. The parties shall bear their respective costs.
4. 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 Eric Schneider shall pay \$575.00 to the Claimant as reimbursement.

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AFFIRMATION

I, **JOAN STEINMAN**, 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 "Joan K. Steinman", is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION: September 21, 1992