

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

William C. Ralke
Emma B. Ralke

NASD Arbitration
No. 91-03584

Name of Respondents

PaineWebber, Inc.
Lee W. Oatley

REPRESENTATION

For Claimant: Edward Werner, Esq. - PaineWebber, Inc.

For Respondent: Donald Blake Martinson, Vista, California

CASE INFORMATION

Statement of Claim filed: November 13, 1991

Claimants' Submission Agreement signed on: November 18, 1991

Joint Statement of Answer filed by Respondents, on: January 29, 1992

HEARING INFORMATION

Pre-Hearing Conference: August 17, 1992 - One session

Hearing Date/Sessions: September 17, 1992 - Two Sessions

Hearing Location: San Diego, California

CASE SUMMARY

Claimants, William C. and Emma B. Ralke (Ralke) alleged that Respondent, Lee W. Oatley (Oatley), while employed by Respondent, PaineWebber, Inc., sold Ralke investments in The Corporate Income Fund High Yield Series 17 and 20 when he knew or should have known that said investments were unsuitable. Ralke also alleged failure to obey, failure to diversify and breach of fiduciary duty.

Respondents alleged that William C. Ralke was a sophisticated former bond salesman who was fully aware of the risks involved in the purchase of high yield investments.

RELIEF REQUESTED

Claimants requested recovery of monetary losses of \$49,876.51.

Respondents requested dismissal of the claim in its entirety.

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 original(s) 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. Each and every claim of claimants, William C. Ralke and Emma B. Ralke, against respondents, Painswebber, Inc., and Lee W. Oatey is dismissed.
2. The parties shall each bear their respective costs and fees, including attorneys' fees.
3. The NASD shall retain the \$400.00 hearing session deposit made by Claimants.

FORUM FEES

No additional forum fees are assessed.

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

ARBITRATORS

Name

Public/Industry

William R. Newsome

Public Arbitrator

Kenneth J. Gross

Public Arbitrator

Lewis C. Brown

Industry Arbitrator

Concurring Arbitrators' Signatures


William R. Newsome

Kenneth J. Gross

Lewis C. Brown

Served Oct. 9, 1992

Date of Decision:

Sept. 17 1992