

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 BetweenName of Claimant

John W. Sorkvist

91-03642

Name of Respondents

PaineWebber, Inc.  
Tina Singh  
Ronald Glickman

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REPRESENTATION

For Claimant John W. Sorkvist ("Claimant"): Robert D. Piliero, of Piliero & Goldstein.

For Respondents PaineWebber, Inc. ("PW"), Tina Singh ("Singh"), and Ronald Glickman ("Glickman"): Paul G. Thomas, of PW.

CASE INFORMATION

Statement of Claim filed: November 19, 1991.

Amended Statement of Claim filed: February 24, 1992.

Claimant's Submission Agreement signed on: November 5, 1991.

Joint Statement of Answer filed by Respondents on: March 30, 1992.

Respondent PW's Submission Agreement signed on: March 27, 1992.

Respondent Singh's Submission Agreement signed on: January 3, 1992.

Respondent Glickman's Submission Agreement signed on: May 26, 1992.

CASE SUMMARY

Claimant alleged Respondents Singh and Glickman made purchases and sales of securities for Claimant's account without his authorization, in particular, Micron Technology and NNNL Companies; and on at least one (1) occasion deceived him about the status of his account. Claimant alleged Respondent PW's position as a "control" person and the common law principle of respondent superior make it jointly and severally liable with Singh and Glickman and that its failure to supervise Singh and Glickman creates a separate basis for liability.

Respondents denied Claimant's allegations regarding unauthorized trades; denied Claimant's allegations regarding Respondents' deceiving him concerning the status of his account; objected to the disclosure of a settlement offer noted in Claimant's Statement of Claim; stated Claimant was sent written

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documentation which summarized all activities in his account and that from these and other sources Claimant knew of the transactions with PW and of the profits and losses being incurred. Respondents maintained Claimant indicated his apparent approval of the transactions; he knew PW was relying on his apparent approval; PW would have halted transactions if it had known of Claimant's disapproval of any transactions and that Claimant is precluded from recovery on the ground of estoppel. Respondents alleged Claimant ratified PW's acts; the alleged losses were proximately caused by Claimant's conduct or negligence; all risks concerning investing were explained to Claimant and he willingly assumed the risk of investing; and that PW maintained an adequate system of supervision over its employees.

#### RELIEF REQUESTED

Claimant requested: actual damages in the amount of \$152,251.00, trebled damages; punitive damages; attorneys' fees; interest and costs.

Respondents requested: the demand for relief of Claimant be dismissed in its entirety; and costs.

#### 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 PaineWebber, Inc., Tina Singh and Ronald Glickman are liable, jointly and severally, and shall pay to Claimant, John W. Sorkvist, the sum of \$70,000.00, plus simple interest at the rate of eight (8%) percent from the date of the decision to the date of payment;
- 2- The Claim of Claimant for Treble Damages is denied;
- 3- The Claim of Claimant for Punitive Damages is denied;
- 4- All other claims are denied;
- 5- Each party shall bear its own expenses, including attorneys' fees.

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FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$200.00 non-refundable filing fee previously paid by Claimant and the following Forum Fees are assessed.

4 sessions X \$750.00 = \$3,000.00 minus hearing session deposit of \$750.00 = net \$2,250.00 due.

Forum fees Assessed Against:

- 1- Claimant, John W. Sorkvist, in the amount of \$1,500.00. The NASD, Inc. shall retain Claimant's \$750.00 hearing session deposit; therefore, the amount due and owing equals \$750.00;
- 2- Respondents PaineWebber, Inc., Tina Singh, and Ronald Glickman, jointly and severally, in the amount of \$1,500.00.

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

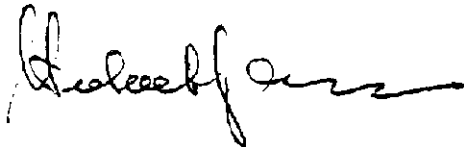
ARBITRATOR SIGNATURE

  
David I. Glickrist/Public Arbitrator

Date of Decision: October 19, 1992

STATE OF *NEW YORK*  
COUNTY OF *SUFFOLK*

On this *14th* day of October, 1992, before me personally appeared David I. Gilchrist known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.



**HERBERT JANSSEN**  
Notary Public, State of New York  
No. 4662183, Suffolk County  
Commission Expires June 30, 1993

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- 2- Respondents PaineWebber, Inc., Tina Singh, and Ronald Glickman, jointly and severally, in the amount of \$1,500.00.

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

ARBITRATOR SIGNATURE



Thomas A. Turley/Industry Arbitrator

Date of Decision: October 19, 1992

STATE OF NEW YORK

COUNTY OF NEW YORK

On this 14<sup>th</sup> day of October, 1992, before me personally appeared Thomas A. Turley known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

MARIAN FINNIGAN  
Notary Public, State of New York  
No. 41-4798434  
Qualified in Queens County  
Certificate filed in New York County  
Commission Expires June 30, 1994

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ARBITRATOR SIGNATURE



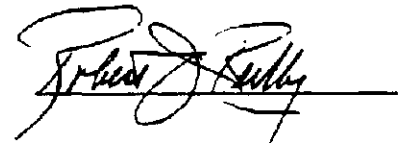
Constantine N. Katsoris/Public Arbitrator

Date of Decision: October 19, 1992

STATE OF *NEW YORK*

COUNTY OF *NEW YORK*

On this *6* day of October, 1992, before me personally appeared Constantine N. Katsoris known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

A handwritten signature in dark ink, appearing to read "Robert J. Reilly", written over a horizontal line.

ROBERT J. REILLY  
Notary Public State of New York  
No. 31-4579702  
Qualified in New York County  
Commission Expires January 31, 1995