

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :
PaineWebber, Inc. :

Claimant :

vs. :

Tom Carlisle :

Respondent :

CASE #91-03743
AWARD

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on November 26, 1991, Claimant, PaineWebber, Inc. by and through their in-house counsel, Garry J. Stegeland, Esq., alleged that on or about December 14, 1984 Respondent Tom Carlisle, a public customer, opened a margin account and signed a Margin Lending Agreement or Client's Agreement, which enabled him to margin securities. Claimant further alleged that on or about March 14, 1984 Respondent signed a Client Option Agreement and Qualification Form, by which he acknowledged his understanding of the risks involved with options trading. Claimant contended that on February 1, 1991 Respondent purchased, authorized, 500 warrants of PaineWebber Group Nikkei Stock Average Puts and has since failed to pay for this purchase. Claimant further contended that they were forced to liquidate the original purchase, resulting in a loss on the sell-out and a debit balance in Respondent, Tom Carlisle's account. Claimant asserted that on February 22, 1991, March 18, 1991 and May 16, 1991 they sent Respondent letters notifying him of his debt, stemming from his failure to pay for the position. Claimant further asserted that to date, Respondent has neither responded to Claimant's letters, nor paid his debit balance.

Respondent, Tom Carlisle failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant, PaineWebber, Inc. requested \$1,948.69 in actual damages plus interest at the rate of 10% per annum from February 1, 1991, together with \$194.86 in attorney's fees and reimbursement of the NASD filing fee.

Respondent, Tom Carlisle 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, Eric J. Wahl, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on November 19, 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, Tom Carlisle was served a copy of the Statement of Claim by regular mail on December 2, 1991 and given an opportunity to respond, which he failed to do. Respondent, Tom Carlisle was notified on February 19, 1992, via certified mail, that his Statement of Answer was overdue. Respondent, Tom Carlisle was notified on February 26, 1992, via certified mail, the selected arbitrator, pursuant to Section 22 of the NASD Code of Arbitration Procedure. Respondent, Tom Carlisle failed to file an Answer to the Statement of Claim.
2. Pursuant to the By-Laws of the NASD the arbitrator determined that Respondent, Tom Carlisle 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, Tom Carlisle is liable and shall pay to the Claimant the sum of \$1,948.69 in damages.
2. Respondent, Tom Carlisle is liable and shall pay to the Claimant simple interest at the rate of 10% per annum from February 1, 1991 to the date of payment of the award.

3. Respondent, Tom Carlisle is liable and shall pay to the Claimant the sum of \$194.86 in attorney's fees, pursuant to the Client's Agreement dated December 19, 1984.
4. The parties shall bear their respective costs.
5. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant, PaineWebber, Inc. shall be retained by the NASD, Inc. Respondent, Tom Carlisle shall pay to the Claimant the sum of \$575.00 as reimbursement.

AFFIRMATION

I, ERIC J. WAHL, 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.



Signature of Arbitrator

DATE OF DECISION: April 20, 1992