

N.A.S.D. AWARD

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

In the Matter of the Arbitration BetweenName of Claimants

Dominick and Celia Iervasi

91-04123

PUBLIC

Name of Respondents

PaineWebber, Inc.
Howard R. Siegel
Paul Wexler

REPRESENTATION

For Claimant: William A. DeLorenzo, Esq.

For Respondent: The Respondent Howard R. Siegel was not represented by counsel and did not attend the hearing.

The Respondents PaineWebber, Inc. and Paul Wexler were
represented by Jennifer Connors, Esq.

CASE INFORMATION

Statement of Claim filed: December 31, 1991.

Claimant's Submission Agreement signed on: December 12, 1991.

Respondent PaineWebber, Inc.'s Submission Agreement signed on: March 17, 1992.

The Respondents Howard R. Siegel and Paul Wexler did not sign Submission
Agreements as required pursuant to Section 25 of the Code of Arbitration
Procedure.

Statement of Answer filed by Respondent Harold R. Siegel on: March 24, 1992.

Joint Statement of Answer filed by Respondents PaineWebber, Inc. and Paul Wexler on: March 4, 1992.

HEARING INFORMATION

Hearing Dates/Sessions: October 27, 1992, 1 Session.

Hearing Location: NASD offices located in New York City, NY.

CASE SUMMARY

Claimants alleged that Respondents recommended unsuitable investments for them and Respondent PaineWebber, Inc. failed to properly supervise Respondents Howard R. Siegel and Paul Wexler's handling of their account.

Respondents PaineWebber, Inc. and Paul Wexler maintained when Claimants transferred their account to PaineWebber, Inc., they already owned the securities about which they claim unsuitability and Dean Witter, Inc. was the firm supervising Respondent Howard R. Siegel when the purchases were made, the decline of the securities was due to market movement beyond PaineWebber's control and when PaineWebber, Inc. hired Howard R. Siegel they were under no obligation to scrutinize every investment made by Howard R. Siegel's clients while at Dean Witter, Inc.

Respondent Howard R. Siegel maintained the securities he recommended to Claimants were suitable for them and the decline was caused by the crash of the market in 1987 and he recommended to Claimants it was the wrong time to sell. Respondent Howard R. Siegel further maintained had he known the Claimants needed money to be liquid he would have advised them to keep a portion of their initial investment in a money market. Respondent Harold R. Siegel further maintained the Claimants opened three new accounts with him subsequent to the alleged problems arising.

RELIEF REQUESTED

Claimants requested damages of \$18,018.56 plus attorneys' fees determined to be proper under the circumstances, reimbursement of the \$500.00 filing fee and any other relief which the panel deems to be just and proper.

Respondents PaineWebber, Inc. and Paul Wexler requested a dismissal of all claims against them.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Prior to the commencement of the first hearing session the arbitrator was informed that the Claimants had entered into a settlement agreement with Respondents PaineWebber, Inc. and dismissed with prejudice the claims against Respondent Paul Wexler;

2. In accordance with Section 1 of the Code of Arbitration Procedure, the Chairperson ruled that it had jurisdiction over the Respondent Howard R. Siegel;
3. In accordance with Section 25 of the Code of Arbitration, the Respondent Howard R. Siegel was served with the Statement of Claim and given an opportunity to respond which he did;
4. In accordance with Section 21 and Section 26 of the Code of Arbitration Procedure, the Respondent Harold R. Siegel was given due notice of the hearing procedure by regular and certified mail and failed to appear at the hearing;
5. In accordance with Section 29 of the Code, the Chairperson ruled that the Respondent Harold R. Siegel had adequate notice of this hearing and determined to proceed with the Respondent Harold R. Siegel as a party in his absence.
6. The Respondent Harold R. Siegel be and hereby is liable and shall pay to the Claimants the sum of \$9,009.28 inclusive of interest and upon payment of this sum the Claimants shall relinquish control and tender to Respondent Harold R. Siegel the following:
 - a. 2,000 SES UT AXIOM SYSTEMS, INC.
 - b. 1,000 SES LUI GROUP INC.
 - c. 10,000 SES KENILWORTH SYS.
7. Each party shall bear their respective costs including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

1 Session X \$300.00 = \$300.00

The Respondent Harold R. Siegel be and hereby is liable and shall pay to the Claimants the sum of \$400.00 to reimburse them for the fees paid.

The NASD shall retain the \$100.00 claim filing fee previously deposited by the Claimants.

ARBITRATOR SIGNATURE

Lydia O. Bishop

Lydia O. Bishop
Public Arbitrator

Decision Dated: February 4, 1993

STATE OF: New Jersey
COUNTY OF: Essex

SS:

On this 2nd day of February, 1992, before me personally appeared Lydia O. Bishop 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.

Rozina A. Nathani

ROZINA A. NATHANI
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JULY 27, 1994