

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Alfredo Gonzalez

NASD Arbitration
No. 92-00142

Name of Respondent(s)

PaineWebber Incorporated
George W. Waldie, Jr.
Gregory A. Yankovsky

REPRESENTATION

For Claimant: Jeffrey M. Jones, Esq., Law Office of Archibald M. Mull, III, Old Sacramento, California

For Respondents: Scott M. Ratchick, Esq., PaineWebber Incorporated, Los Angeles, California

CASE INFORMATION

Statement of Claim filed: January 13, 1992

Claimant's Submission Agreement signed: November 6, 1992

Amended Statement of Claim filed: November 4, 1992

Respondents' Motion For a More Definite Statement of Claim filed: May 8, 1992

Joint Statement of Answer filed by Respondents: December 14, 1992

Respondents' Submission Agreements signed as follows:

PaineWebber Incorporated: December 9, 1992

George W. Waldie, Jr.: January 12, 1993

Gregory A. Yankovsky: January 11, 1993

HEARING INFORMATION

Pre-Hearing Conference: None

Hearing Dates/Sessions: May 26, 1993 (two sessions)
May 27, 1993 (two sessions)

Hearing Location: San Francisco, California

CASE SUMMARY

Regarding investments in PaineWebber Master Global Income Fund, Van Kampen Merritt Ltd., Putnam Premier Income Fund, and Eaton Vance Prime Rate, Claimant alleged that Respondents breached their duty by making intentional misrepresentations to the Claimant, by concealing material facts from the Claimant, by negligently representing facts to Claimant, by negligently researching the securities which were sold to Claimant, by failing to adequately supervise employees, by investing Claimant's account in securities that were unsuitable, and by making unauthorized trades in Claimant's account. Claimant further alleged that Respondents committed a breach of trust, breach of contract, fraud, violation of California Civil Code Section 3345 and violation of the RICO statute (18 U.S.C. 1961 et seq.). Claimant also claimed that he is entitled to rescission with respect to investments in his account.

Respondents denied, both generally and specifically, each and every allegation of wrongdoing and cause of action asserted by Claimant. Respondents alleged that Claimant's Statement of Claim is frivolous in nature and constitutes harassment of Respondents. Respondents further alleged that the portfolio of investments created and maintained for Claimant were perfectly suitable to satisfy Claimant's stated objectives. Respondents also asserted affirmative defenses.

RELIEF REQUESTED

Claimant requested:

1. \$40,000.00 in compensatory damages;
2. General damages according to proof. including damages for emotional distress;
3. Punitive damages;
4. Damages pursuant to California Civil Code Section 3345;
5. Damages pursuant to 18 U.S.C. Section 1961 et seq. (RICO);
6. Rescissionary damages;
7. Interest;
8. Attorney's fees; and
9. Costs.

Respondents requested:

1. Dismissal of Claimant's Claim in its entirety with prejudice;
2. That Respondents recover their costs; and
3. Such other relief as the Arbitration Panel may deem just and proper.

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 National Association of Securities Dealers, Inc. (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 Incorporated, George W. Waldie, Jr. and Gregory A. Yankovsky, are jointly and severally liable for and shall pay to Claimant the sum of \$11,565.00, in satisfaction of Claimant's claims.
2. The claim for punitive damages is denied.
3. The parties shall each bear their respective costs including attorney's

fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall refund the \$400.00 hearing session deposit previously deposited by the Claimant. Forum fees are assessed against:

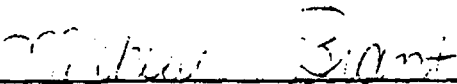
Respondents PaineWebber, Incorporated, George W. Waldie, Jr. and Gregory A. Yankovsky, jointly and severally, in the amount of \$1,600.00, calculated as follows: Four hearing sessions times \$400.00/session.

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

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Michelle Brant, Esq.	Public Arbitrator
F. Richard Middaugh	Public Arbitrator
William T. Smales, Jr.	Industry Arbitrator

Concurring Arbitrators' Signatures



Michelle Brant

F. Richard Middaugh

William T. Smales, Jr.

Date of Decision: 6.27.93

Date Served: 07/20/93

92-142

fees.

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<u>Name</u>	<u>Public/Industry</u>
Michelle Brant, Esq.	Public Arbitrator
F. Richard Middaugh	Public Arbitrator
William T. Smales, Jr.	-- Industry Arbitrator

Concurring Arbitrators' Signatures

Michelle Brant

F. Richard Middaugh

WS _____ 6/26/93
William T. Smales, Jr.

Date of Decision: _____

Date Served 07/20/93

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fees.

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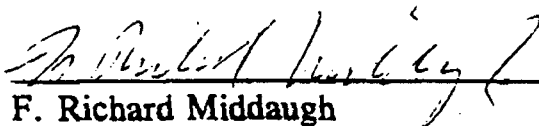
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ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Michelle Brant, Esq.	Public Arbitrator
F. Richard Middaugh	Public Arbitrator
William T. Smales, Jr.	Industry Arbitrator

Concurring Arbitrators' Signatures

Michelle Brant



F. Richard Middaugh

William T. Smales, Jr.

Date of Decision: 5/27/93

Date Served: 07/20/93