

PUBLIC

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In The Matter of the Arbitration Between :
: Margaret R. Roberts :
: Claimant :
: vs. : CASE #92-00552
: AWARD
: PaineWebber, Inc., :
: Respondent :
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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 14, 1992, Claimant Margaret R. Roberts who appeared Pro Se, alleged that on February 18, 1986 she opened an account with Respondent, PaineWebber, Inc., by and through their Investment Executive, Nadine Walther, and subsequently, on February 21, 1986, purchased \$20,00. PaineWebber GNMA Portfolio whereby she was not advised that she would be charged for this purchase, Claimant further alleged that on February 28, 1986 Respondent erroneously purchased 10,000 shares of Maryland State Department of Transportation bonds in her account on margin without her knowledge or consent and charged her margin interest. Claimant contended that on May 14, 1986 Respondent invested another \$15,655.00 in the PaineWebber GNMA Portfolio and on July 21, 1986 invested \$5,000. in the Master Income Fund after Respondent informed her that the \$5,000. was being invested in a Money Market Fund. Claimant further contended that on September 12, 1986 she contacted Respondent, verbally and in writing, to notify them to stop trading in her account and to arrange for all investments to be sent to her, in addition to stopping all dividends reinvestments. Claimant asserted that in spite of her explicit instructions of September 12, 1986, the dividend reinvestments continued through May 1987. Claimant further asserted that Respondent continued to make unauthorized purchases when they purchased Rockville International Corp., and Germany Fund in her account. Claimant argued that Respondent's inappropriate handling of her account, caused her to sustain losses.

Respondent, PaineWebber, Inc., by and through their in-house counsel Elyse A. Adrian, Esq., maintained that by letter dated September 12, 1986 to Nadine Walther, Claimant demanded relief for her losses in account due to allegedly erroneous investments in the Maryland State Department of Transportation bonds, the Rockwell International Corporation and the Germany Fund Inc.,

whereby, Respondent offered to reimburse Claimant for her net loss plus margin interest charges from the Maryland bonds investment. Respondent further maintained that they made valiant efforts to settle this matter, with the specific purpose of promoting good customer relations and accommodating Claimant. Respondent contended that they never received any response from Claimant and, in fact, Claimant expressed no further interest in the matter until she filed her Statement of Claim five years later. Respondent further contended that Claimant invested in the PaineWebber GNMA Portfolio with full knowledge of accompanying sales charges; and Claimant authorized the Master Income Fund investment for her account, in addition to all other investments. Respondent asserted that at all times concerning Claimant's account, Respondent fully complied with applicable industry rules and regulations. Respondent further asserted that they have patiently and considerately attempted to resolve this matter by making very reasonable offers of settlement and Claimant has refused to accept such settlement, in addition to inflating her original claim without legal or equitable justification, therefore, the claim should be dismissed.

RELIEF REQUESTED

Claimant, Margaret R. Roberts requested \$5,000 in actual damages plus costs.

Respondent PaineWebber, Inc. requested the claim be dismissed with prejudice and costs be assessed against Claimant, including reasonable attorney's fees.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Janet Thomas Johnson, Esq. was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 3, 1992 and by the Respondent on May 5, 1992.

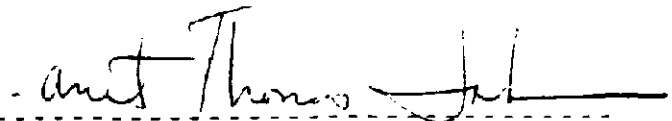
And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent, PaineWebber, Inc. is liable and shall pay to the Claimant Margaret R. Roberts the sum of \$968.15 in damages.

2. The parties shall bear their respective costs, including attorney's fees.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Margaret R. Roberts shall be retained by the NASD, Inc. Respondent, PaineWebber, Inc. is liable and shall pay to the Claimant the sum of \$125.00, as reimbursement.

AFFIRMATION

I, Janet Thomas Johnson, Esq., 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: September 10, 1992-----