



Arbitration

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 Between

Name of Claimant

John S.H. Chapman, Sr.

92-00640

Name of Respondents

PaineWebber, Inc.
Philip L. DuBois
Michael S. Federico

REPRESENTATION

For Claimant: The Claimant appeared pro se.

For Respondents: The Respondents were represented by Jennifer A. Connors,
Esq.

CASE INFORMATION

Statement of Claim filed: February 21, 1992.

Claimant's Submission Agreement signed on: February 18, 1992.

Joint Statement of Answer filed by Respondents on: April 27, 1992.

Respondent PaineWebber's Submission Agreement signed on: April 22, 1992.

Respondent Michael Federico's Submission Agreement signed on: April 6, 1992.

Respondent Philip L. DuBois's Submission Agreement signed on: April 2, 1992.

HEARING INFORMATION

Hearing Dates/Sessions: September 28, 1992, 2 Sessions.

Hearing Location: Baltimore, Maryland.

CASE SUMMARY

Claimant alleged that Respondents recommended and invested his funds in investments that were unsuitable for the Claimant knowing his investment objectives; failed to provide the Claimant with a prospectus for all of his

investments; failed to advise Claimant of the risks inherent in his investments and made misrepresentations to the Claimant concerning his investments; failed to make proper recommendations to the Claimant and didn't always take Claimant's interests into consideration when recommending investments.

Respondents maintained all investments referenced in Claimant's Statement of Claimant were responsibly suggested as consistent with his investment objectives and the losses complained of could not have been predicted by PaineWebber, Inc. and PaineWebber, Inc. cannot be made to guarantee the profitability of the Claimant's investments. Respondents further maintained the Claimant was provided with sales literature and a prospectus, the investments were suitable for the Claimant and all investments were fully discussed with Claimant and made with careful and diligent consideration of his conservative investment objectives and Claimant's losses were proximately caused by his own conduct or negligence.

RELIEF REQUESTED

Claimant requested damages of \$29,672.00.

Respondents requested dismissal of Claimant's claim and that costs and fees for the proceedings be charged against the Claimant.

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. All claims by Claimant be and hereby are dismissed in all respects.
2. 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:

2 sessions X \$300.00 = \$600.00 minus hearing session deposit of \$300.00 = net \$300.00 due.

The Respondents be and hereby are liable jointly and severally and shall pay to the NASD the sum of \$300.00 to represent forum fees.

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

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ARBITRATOR SIGNATURE

Perry E. Wallace, Jr., Esq.
Public Arbitrator