

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Sylvia Lupkin

CASE #92-00760

Name of Respondents

PaineWebber Incorporated
Stuart Lederman

REPRESENTATION

For Claimant Sylvia Lupkin: Richard C. Hochman, Esq.

For Respondents PaineWebber, Inc. and Stuart Lederman: Paul G. Thomas, Esq.

CASE INFORMATION

Statement of Claim filed: March 4, 1992.

Claimant's Submission Agreement signed on: March 31, 1992.

Joint Statement of Answer filed by Respondents PaineWebber, Inc. and Stuart Lederman on:
June 4, 1992.

Respondent PaineWebber, Inc.'s Submission Agreement signed on: June 3, 1992.

Respondent Stuart Lederman's Submission Agreement signed on: June 18, 1992.

HEARING INFORMATION

Hearing Date/Sessions: November 5, 1992 / 2 sessions

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

CASE SUMMARY

Claimant alleged that Respondents made misrepresentations to her and omitted material information and further alleged it was clear that Claimant's account was unsuitable for the trading in preferred Series B stock of Crossland Savings Bank (CRL B) which was solicited and executed by the Respondents, and PaineWebber, Inc. by and through its research analyst, issued unreasonably optimistic and materially misleading research reports upon which Claimant relied and Claimant suffered material and substantial loss not only due to the collapse in the market value of CRL B, but also the direct loss of the interest and dividends that would have been received from other investments that were liquidated in order to purchase the CRL B.

Respondents maintained Respondent Lederman managed Claimant's account in a responsible manner and recommended only investments suitable to Claimant's circumstances and objectives and Crossland preferred stock was a conservative and suitable investment for Claimant and consistent with her investment objectives. Respondents further maintained the decline in the value of the Crossland preferred stock was not foreseeable and Claimant through her own conduct, approved, authorized and/or ratified Respondents' action and Claimant is estopped from recovering herein and Claimant knowingly assumed the risks of investing with Respondents and Claimant failed to use the requisite due diligence in monitoring her account and investments.

RELIEF REQUESTED

Claimant requested damages of \$6,077.50 (interest on bonds liquidated), plus \$35,768.75 (market value drop in CRL B or in the alternative, the present value of the liquidated investment at a reasonable rate of interest), \$100,000.00 punitive damages, plus attorneys' fees and costs incurred in bringing this action.

Respondents requested dismissal of Claimant's claims with prejudice, with costs to be taxed against Claimant, including reasonable attorneys' fees incurred by Respondents in defending against Claimant's unmeritorious claims.

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. All claims by the Claimant against both Respondents be and hereby are dismissed in all respects.
2. The Claimant's claim for punitive damages is denied.
3. 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 \$750.00 = \$1,500.00 minus hearing session deposit
of \$750.00 = net \$750.00 due.

Forum Fees Assessed Against:

The Respondent PaineWebber, Inc. be and hereby is liable and shall pay to the NASD the sum of \$750.00 to represent forum fees.


The NASD shall retain the \$200.00 claim filing fee previously deposited by the Claimant.

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


CONCURRING ARBITRATORS' SIGNATURE

Name

Public/Industry

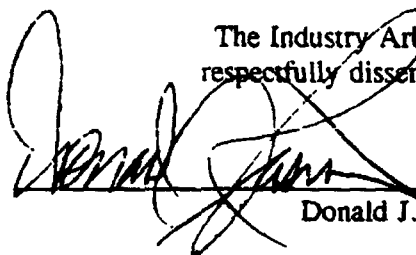

Martin Fogelman, Esq./Chairperson

Public


Neil J. Carey

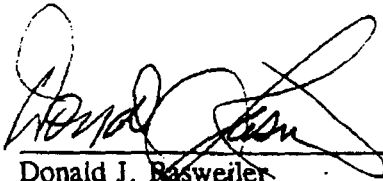
Public

The Industry Arbitrator, Mr. Donald J. Rasweiler,
respectfully dissents from the above award.


Donald J. Rasweiler / Industry

Date of Decision: December 22, 1992

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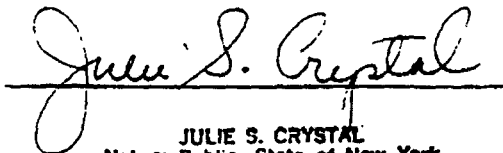


Donald J. Rasweiler
Industry Arbitrator

STATE OF: New York
COUNTY OF: New York

S.S.:

On this 22 day of December, 1992, before me
personally appeared **Donald J. Rasweiler** known and known to to me to be the individual
described in and who executed the foregoing instrument and be duly acknowledged to me that
he executed the
same.



JULIE S. CRYSTAL
Notary Public, State of New York
No. 41-4717591
Qualified in Nassau County
Commission Expires 5/31/94

STATE OF: New York
COUNTY OF: New York

S.S.:

On this 30th day of Nov., 1992, before me personally appeared Martin Fogelman, Esq. known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

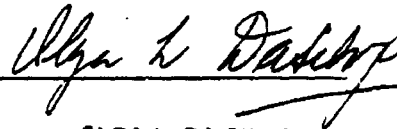


CAROL DEVITO
Notary Public, State of New York
No. 31-7228220
Qualified in New York County
Commission Expires 6/30/94

STATE OF: ~~New York~~ CONNECTICUT
COUNTY OF: ~~New York~~ FAIRFIELD

S.S.: STAMFORD

On this 4th day of December, 1992, before me personally appeared Neil J. Carey known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.



OLGA L. DA SILVA
My Commission Expires
March 31, 1993

STATE OF: New York
COUNTY OF: New York

S.S.:

On this day of , 1992, before me personally appeared Donald J. Rasweiler known and known to to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.
