

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Paul A. & Edna R. Paradise

92-00827

Name of Respondents

PaineWebber, Inc.
Mary Kenney

REPRESENTATION

Claimants Paul A. & Edna R. Paradise ("Claimants") were represented by Anthony J. Hom, Esq.

Respondents PaineWebber, Inc. ("PaineWebber") and Mary Kenney ("Kenney"); herein collectively referred to as Respondents were represented by Evan J. Charkes, Esq.

CASE INFORMATION

Statement of Claim filed on: March 5, 1992.

Amended Statement of Claim filed on: February 10, 1993.

Claimants' Submission Agreement signed on: February 19, 1992.

Joint Statement of Answer filed by Respondents on: May 14, 1992.

PaineWebber's Submission Agreement signed on: May 12, 1992.

Kenney did not sign a Submission Agreement.

HEARING INFORMATION

Hearing Dates/Sessions: April 7, 1993 - two sessions

April 8, 1993 - two sessions

May 20, 1993 - one session

Hearing Location: NASD Offices, Philadelphia, PA.

CASE SUMMARY

Claimant alleged that based upon material misrepresentation and omission of material facts that they purchased various bonds and securities from Respondents. Claimants alleged that during the period of 1984-1990, Respondents violated the following statutes and rules: Securities Exchange Act of 1934 - Rule 10b-5, Rule 12(2) Sections 20(a) 15(b)(4)(E); NASD Rules of Fair Practice Sections 2, 15, 33 and 34; Pennsylvania Unfair Practices and Consumer Protection Law; and Pennsylvania Securities Act Section 401 as well as being guilty of common law fraud, churning, negligence, breach of contract, breach of fiduciary duty and failure to supervise.

Respondents maintained that they did not violate any of the above rules and statutes nor were they guilty of any of the items charged and further that all claims were barred by various and appropriate statutes of limitations.

RELIEF REQUESTED

Claimants requested \$203,776.00 in compensatory damages together with interest, costs and attorneys' fees.

Respondents requested that Claimants' claim be dismissed in its entirety and that all costs be assessed against Claimants.

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 NASD.

Pursuant to the by-laws of the NASD, the Panel determined that Kenney was required to submit to this arbitration, notwithstanding her failure to submit an executed Submission Agreement. Therefore, Kenney is bound this Panel's rulings and determinations.

AWARD

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

1. The Claimants have failed to demonstrate sufficient facts to support their claims against PaineWebber, Inc.; therefore, all claims against PaineWebber are denied in their entirety.
2. The Claimants have failed to demonstrate sufficient facts to support their claims against Mary Kenney; therefore, all claims against Kenney are denied in their entirety.

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3. Each of the parties shall bear their own costs and expenses incurred, other than those specifically provided for herein.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure ("Code"), the following Forum Fees(s) are assessed.

5 hearing sessions x \$750 = \$3,750

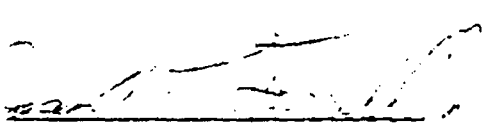
Pursuant to Section 43(c) of the Code, hearing session costs of \$3,750 incurred in this matter shall be split equally by the parties. Claimants are assessed forum fees in the amount of \$1,875, however, Claimants are entitled to offset this amount with their hearing session deposit of \$750 previously deposited. The amount due as forum fees from the Claimants is \$1,125. Respondents are jointly and severally assessed forum fees in the amount of \$1,875.

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

Concurring Arbitrator's Signature

Name

Public/Industry



Joseph L. Farrell, Jr., Esq.

Public Arbitrator

Date of Decision: June 10, 1993

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Concurring Arbitrator's Signature

Name

Public/Industry

Lewis T. Hatcher, Esq.

Lewis T. Hatcher
Industry Arbitrator

Date of Decision: June 10, 1993

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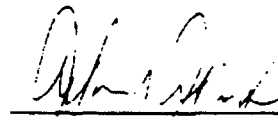
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Concurring Arbitrator's Signature

Name

Public/Industry



Alfred Abbotts, Esq.

Public Arbitrator

Date of Decision: June 10, 1993