

in processing these transactions until January 23, 1992, caused Claimant to receive a lower sale price for the stocks in question, thus, creating a loss to him.

Respondents, PaineWebber, Inc. and Edward H. Murphy by and through their in-house counsel Jennifer A. Connors, Esq., maintained that on or about January 1992 Claimant Robert C. Hansen, a long-time client of Respondent PaineWebber, Inc., discussed with Respondent Edward H. Murphy the possibility of opening a managed account through Equity Investment Corporation, whereby, the new account was to be opened with stocks from Claimant's original account. Respondents further maintained that Respondent Edward H. Murphy suggested that Claimant transfer the stocks in his new account first and then sell them in that this suggestion was offered in the interest of saving Claimant a commission fee on the sale. Respondents contended that the stocks which Claimant chose to transfer into his account, Merck & Co. ("Merck") and Warner Lambert & Co., ("Warner Lambert") were highly volatile stocks and Claimant was fully apprised of this fact from his discussions with Respondent Edward H. Murphy. Respondents further contended that Claimant is a sophisticated investor who chose to invest in volatile stocks which he knew could either rise or decrease in value and it is doubtful that Claimant would be complaining about his commission-free sale of stocks if the ensuing delay had led to an increase in the value of these securities. Respondents asserted that Claimant was fully aware that it would take a reasonable amount of time to process the paperwork necessary to open the new account and any decrease in the value of the stocks was due to market forces beyond the control of any investment executive or brokerage house. Respondents further asserted that Claimant is unreasonably demanding that Respondents be held liable for the results of a transaction which Claimant was fully aware would take several business days to process, involving securities Claimant knew could either rise or fall in value and the transaction would be effected without benefit to Respondents, therefore, Respondents should not be held liable for market conditions.

RELIEF REQUESTED

Claimant Robert C. Hansen requested \$10,000.00 in actual damages.

Respondents PaineWebber, Inc. and Edward H. Murphy requested the claim be dismissed in its entirety and that costs and fees be assessed against Claimant.

AWARD

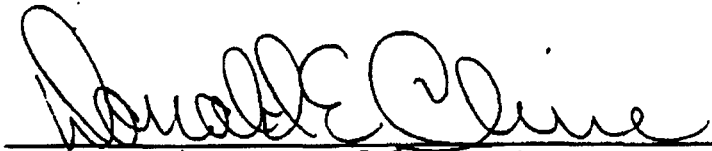
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Donald E. Cline, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on March 25, 1992, by the Respondent PaineWebber, Inc. on June 1, 1992 and by the Respondent Edward H. Murphy on June 24, 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 Robert C. Hansen the sum of \$10,000.00 in damages.
2. The claim of Claimant Robert C. Hansen against Respondent Edward H. Murphy is dismissed.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Robert C. Hansen shall be retained by the NASD, Inc.

AFFIRMATION

I, DONALD E. CLINE, 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 24, 1992