

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Elaine Good

Hubert F. Weidman

NASD Arbitration
No. 92-01502

Name of Respondents

PaineWebber Incorporated

Tom O'Connor

REPRESENTATION

For Claimant: Anthony M. Englese, Esq. - San Francisco, Ca.

For Respondents: Joseph S. Schuchert, Esq. - Keesal, Young & Logan - Long Beach, California

CASE INFORMATION

Statement of Claim filed: May 1, 1992

Claimants' Submission Agreement signed: April 27, 1992

Joint Statement of Answer filed by Respondent: June 25, 1992

Respondent, PaineWebber Incorporated's Submission Agreement signed: June 16, 1992

Respondent, Tom O'Connor's Submission Agreement signed: June 18, 1992

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. Respondents, PaineWebber, Incorporated and Tom O'Connor, are jointly and severally liable and shall pay to Claimant, Hubert F. Weidman, the sum of Ninety Nine Thousand, Five Hundred Eighty Dollars and No Cents (\$99,580.00).
2. Respondents, PaineWebber, Incorporated and Tom O'Connor, are jointly and severally liable and shall pay to Claimant, Elaine Good, the sum of One Hundred Ten Thousand Dollars and No Cents (\$110,000.00).
3. Respondents, Hubert F. Weidman and Elaine Good shall return to Respondents, all their rights, titles and interests, in the following investments, free of all encumbrances:
 - a. Pegasus Aircraft Partners
 - b. Pegasus Aircraft Partners II
 - c. Kagan Media Partners
 - d. P W Insured Mortgage Partners
 - e. Geodyne II A
 - f. Geodyne II G

Claimants' interests in the Krupp Yield Plus interest shall be retained by Claimants.

4. Claimants claim for interest is denied.
5. The parties shall each bear their respective costs and fees, including attorneys' fees.
6. Claimants' claim for punitive damages is dismissed.
7. Respondent, PaineWebber Incorporated, shall pay to Claimants the sum of \$1,250.00 representing fees and deposits made to bring this claim.

HEARING INFORMATION

Pre-Hearing Conference: None

Hearing Dates/Sessions: March 16, 1993 - Two Sessions
 March 17, 1993 - Two Sessions
 March 18, 1993 - Three Sessions

Hearing Location: San Francisco, California

CASE SUMMARY

Claimants, Elaine Good and Hubert F. Weidman (Claimants) alleged that Respondent, Tom O'Connor (O'Connor) while employed by Respondent, PaineWebber Incorporated (PW), recommended and induced Claimants to purchase, collectively, \$240,000.00 worth of various Limited Partnership interests which were illiquid, speculative and unsuitable in light of Claimants' investment objective.

Respondent, O'Connor, alleged that Claimants objective was the highest tax free current income they could get, and that they received prospectuses and other literature on the limited partnerships. Respondents also alleged that the illiquidity of the limited partnerships was clearly and repeatedly discussed.

RELIEF REQUESTED

Claimants requested compensatory damages in the sum of at least \$300,000.00 with interest, damages for lost profits according to proof, rescission of the limited partnership interests, punitive damages, costs and attorneys' fees.

Respondents requested dismissal of the claim in its entirety plus costs.

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.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed:

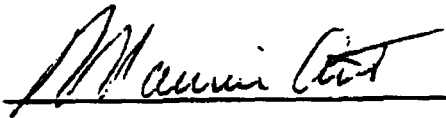
PaineWebber, Inc., is solely assessed and shall pay to the NASD the sum of \$6,000.00, representing assessments for 7 hearing sessions at \$1,000.00 each, (\$7,000.00) less credit for the \$1,000.00 hearing session deposit ordered reimbursed to Claimants.

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

ARBITRATORS

| <u>Name</u> | <u>Public/Industry</u> |
|---------------------------|------------------------|
| Marcus Eugene Gracia, Jr. | Public Chairperson |
| Maurice Arth | Public Panelist |
| Maurice Jacobson | Industry Panelist |

Concurring Arbitrators' Signatures



Served 5/5/93

Date of Decision: _____