

NATIONAL ASSOCIATION OF SECURITIES DEALERS , INC.

In the Matter of the Arbitration Between	:	
Margaret H. Hess	:	
	:	
Claimant	:	CASE #92-01521
	:	AWARD
	:	
vs.	:	
	:	
PaineWebber, Inc.	:	
Richard E. Linder	:	
	:	
Respondents	:	

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on May 4, 1992, Claimant Margaret H. Hess by and through her counsel Frank Rogers Donahue, Jr., Esq. of Donahue, Battle and Donahue, Philadelphia, PA., alleged that on September 5, 1989 she purchased 200 shares of Home Insurance NM \$2.95 Cumulative Preferred Series A and that the purchase was handled by Respondent Richard E. Linder, a registered representative with Respondent PaineWebber, Inc. Claimant further alleged that on October 9, 1989 on the advice of Respondent Richard E. Linder, the above security was tendered whereby she received \$4,000.00 Home Group FDG CP 14.875 debentures due 6/1/99 GTD DEB. Claimant contended that Respondent Richard E. Linder informed her that the next interest payment was not going to be paid in the debentures and on his advice these debentures were tendered which eventually caused a loss of \$3,295.00 Claimant further contended that Respondents PaineWebber, Inc. and Richard E. Linder were negligent in that they did not properly advise Claimant, which caused Claimant to suffer a loss in her account.

Respondents, PaineWebber, Inc. and Richard E. Linder by and through their in-house counsel Joseph A. Vallo, Esq., maintained that Claimant's Margaret H. Hess purchase of Home Insurance securities was completely of her own accord without any solicitation or recommendation and that Respondent Richard E. Linder recommended to Claimant that the bonds would be a safer investment should the company fail. Respondents further maintained that Claimant's alleged losses were caused by her own conduct, and that they acted in good faith in that all the risks concerning these investments were disclosed, at which time, Claimant knowingly, willingly and voluntarily assumed the risks

of investing in the market.

RELIEF REQUESTED

Claimant, Margaret H. Hess requested \$3,295.00 in actual damages plus interest from February 22, 1991.

Respondents, PaineWebber, Inc. and Richard E. Linder requested the claim be dismissed in its entirety with costs to be charged against Claimant, together with fees and costs.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Larry J. Murphy, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on June 10, 1992 and by the Respondent Richard E. Linder July 15, 1992 and by the Respondent PaineWebber, Inc. on July 27, 1992.

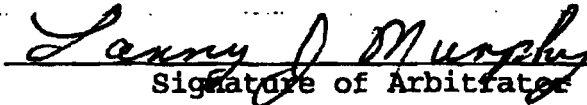
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent PaineWebber, Inc. is liable and shall pay to the Claimant Margaret H. Hess the sum of \$753.00 in damages.
2. Respondent Richard E. Linder is liable and shall pay to the Claimant Margaret H. Hess the sum of \$250.00 in damages.
3. The Claimant's request for interest is denied.
4. The parties shall bear their respective costs.
5. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Margaret H. Hess shall be retained by the NASD, Inc. Respondent PaineWebber, Inc. and Richard E. Linder are jointly and severally liable and shall pay to the Claimant the sum of \$65.00 as partial reimbursement.

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AFFIRMATION

I, LARRY J. MURPHY, 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: November 12, 1992