

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Paul Lowe
Lisa Lowe

NASD Arbitration
No. 92-01858

Name of Respondent(s)

PaineWebber, Inc.
James Rydell
Don Rauscher
John Futrell

REPRESENTATION

For Claimants: William O. Voy, Esq., Las Vegas, Nevada

For Respondents: Scott M. Ratchick, Esq., PaineWebber, Inc., Los Angeles, California

CASE INFORMATION

Statement of Claim filed: June 2, 1992

Claimants' Submission Agreement signed: June 12, 1992

Joint Statement of Answer filed by Respondents: August 17, 1992

Respondent PaineWebber, Inc.'s Submission Agreement signed: August 12, 1992

Respondents James Rydell, Don Rauscher and John Futrell did not file Submission Agreements but were duly served and are subject to National Association of Securities Dealers, Inc. (NASD) jurisdiction in accordance with Section 12 of the Code of Arbitration Procedure.

HEARING INFORMATION

Pre-Hearing Conference Date/Sessions: None

Hearing Date(s)/Sessions: February 25, 1993 (two sessions)

Hearing Location: Las Vegas, Nevada

CASE SUMMARY

Claimants alleged fraud, unauthorized trading, violation of Section 10b of the 1934 Act and Rule 10b-5 (1) thereunder, misrepresentations, breach of fiduciary duties and alleged that Respondents breached the covenant of good faith and fair dealing with respect to Claimants' investments in Citicorp stock.

Respondents generally and specifically denied each and every allegation of wrongdoing asserted in Claimants' Statement of Claim and asserted affirmative defenses.

RELIEF REQUESTED

Claimants requested:

1. On each Claim for relief general damages for out-of-pocket loss, including the return of all sums heretofore paid by each Claimant to Respondents, together with interest on said sums from the date of payment to the date of award herein, in an amount in excess of \$10,000.00 to be proven with particularity at the time set for hearing herein;
2. For revocation of the securities licenses of Respondents Don Rauscher, John Futrell and James Rydell;
3. For rescission of each security transaction;
4. For treble damages plus allowable statutory interest in damages;
5. For costs of this arbitration, to include attorney fees; and

6. For such other and further relief as the arbitration panel deems just and proper.

Respondents requested:

1. That Respondents James Rydell and John Futrell be dismissed from this action at the outset;
2. That the claims against Respondents be dismissed; and
3. That Respondents recover the costs and expenses, including reasonable attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

At the hearing the arbitrators accepted the representations made by William O. Voy, Esq. counsel for Claimants, and Scott M. Ratchick, Esq., counsel for Respondents, that Claimants previously stipulated to have all claims against Respondents James Rydell and John Futrell withdrawn, with prejudice. In addition, Scott M. Ratchick, Esq. advised the arbitrators of Respondent Don Rauscher's bankruptcy filing. Therefore, all matters concerning Don Rauscher are stayed.

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.

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. Respondent PaineWebber, Inc. is solely liable for and shall pay to Claimants the sum of \$11,600.00, in satisfaction of Claimants' claims. The arbitrators add that the award is made solely to cover the actual damages, as ascertained by the arbitrators, of the Claimants and that no award of punitive damages is made.

2. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall retain the \$400.00 hearing session deposit previously deposited by the Claimants. Forum fees are to be split between Claimants and Respondent PaineWebber, Inc. and are calculated as follows:

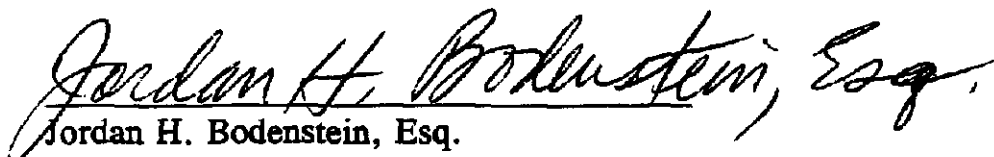
Two hearing sessions	@ \$400.00/session	=	\$800.00
Total fees assessed		=	\$800.00
Claimants' share (50%)		=	\$400.00
Credit for hearing deposit		=	\$400.00
Balance due		=	\$ 0.00
PaineWebber, Inc.'s share (50%)		=	\$400.00
Balance due		=	\$400.00

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

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Jordan H. Bodenstein, Esq.	Public Arbitrator
Arthur G. Grant	Public Arbitrator
Robert A. Yates	Industry Arbitrator

Concurring Arbitrators' Signatures


Jordan H. Bodenstein, Esq.

Arthur G. Grant

Robert A. Yates

Date of Decision: February 25, 1993

Date Served: 4/14/93