

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Sidney Kaufman

Case No. 92-02329

Name of Respondent

PaineWebber, Inc.

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**REPRESENTATION**

For Claimant, Sidney Kaufman ("Kaufman"): pro se.

For Respondent, PaineWebber, Inc. ("PW"): Steven M. Greenbaum, Esq. of PaineWebber, Inc.

**CASE INFORMATION**

Statement of Claim filed: July 14, 1992. Claimant's Submission Agreement signed: August 26, 1992.

Respondent's Statement of Answer filed: September 24, 1992. Respondent's Submission Agreement signed: September 23, 1992 by Joseph F. Generelli on behalf of the Firm.

**HEARING INFORMATION**

On March 8, 1993, in Fort Lauderdale, Florida, a hearing lasting two (2) sessions was conducted.

**CASE SUMMARY**

Claimant alleged that on March 11, 1984 he purchased 51 units in six different PaineWebber Municipal Bond Trusts from PW at a total cost of \$51,412.03 and that he was not aware at the time that the net asset value or par value of the purchases was only \$42,270.75 of which he was informed by a March 20, 1992 letter from PW. Claimant alleged that had he been informed that the PaineWebber Municipal Bond Trust units were not at \$1,000.00 par value when he purchased them he would not have purchased them.

Respondent denied all allegations of wrongdoing contained in the Statement of Claim and maintained that Claimant is a sophisticated investor and that at all times during Claimant's dealings with PW's Investment Executive, Claimant was advised of the purchase of the Municipal Bond Trusts at a premium to the par value and that, in fact, Claimant informed the PW Investment Executive that he was looking for highest current return on his investments. Respondent reiterated that Claimant bought premium bonds to generate substantially higher income than par bonds and was fully informed by his broker.

### **RELIEF REQUESTED**

Claimant requested an Award of \$9,141.28.

Respondent requested that the Statement of Claim be dismissed in its entirety with costs assessed against Claimant.

### **OTHER ISSUES CONSIDERED & DECIDED**

The parties have agreed that a handwritten, signed Award may be entered. In this case, the parties have agreed to receive a conformed copy of the Award while the original remains on file with the NASD.

### **AWARD**

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

Respondent, PW, is found not liable and, therefore, all claims against it are hereby dismissed.

### **OTHER COSTS**

The parties shall each bear all costs and expenses incurred by them in connection with this proceeding.

### **FORUM FEES**

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Arbitrator has assessed forum fees in the amount of \$400.00 (two sessions x \$200.00).


Respondent, PW, is hereby assessed \$400.00, \$200.00 of which shall be paid directly to the Claimant, and \$200.00 of which shall be paid to the National Association of Securities Dealers, Inc.

The NASD shall retain the non-refundable fee of \$75.00 paid by the Claimant.

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

**ARBITRATOR**

**Arbitrator's Signature**

  
Ronald Thomas Spohn, Esq.

Public

Date of Decision: 3/25/93