

**N.A.S.D. AWARD**

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between

Name of Third Party Claimant

PaineWebber, Inc.

and

92-03319

Name of Third Party Respondent

Michael Murray

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**REPRESENTATION OF PARTIES**

PaineWebber, Inc. ("Third Party Claimant") was represented by Sarah G. Anderson, Esq. of PaineWebber, Inc., Weehawken, New Jersey.

Michael Murray ("Third Party Respondent") did not appear at the hearing.

**CASE INFORMATION**

The Statement of Answer and Third Party Claim of PaineWebber, Inc. was filed on or about February 11, 1993. The Amended Third Party Claim was filed on or about May 5, 1993.

Submission Agreement of PaineWebber, Inc. was signed on February 10, 1993 by Garry Stegeland, Esq.

No responsive pleading was filed by or on behalf of Michael Murray.

**HEARING INFORMATION**

The hearing was held on Wednesday, August 4, 1993 in Dallas, Texas for a total of one (1) session.

**CASE SUMMARY**

Third Party Claimant alleged that Michael Murray engaged in inappropriate activities in connection with his handling of the Galen M. Hill, Galen M. Hill Trust, Murray Family Partnership, Robert S. Allday, and Robert Stuart Allday Trust accounts. PaineWebber, Inc. also stated that it settled claims asserted by the various Claimants and seeks

contribution or indemnification from Mr. Murray in addition to seeing damages through assignment of the claims the above customers could have filed against Mr. Murray for his conduct in the handling of their accounts.

Third Party Respondent Michael Murray did not file a responsive pleading.

### **RELIEF REQUESTED**

PaineWebber, Inc. requested an award in the amount of \$550,000.00, costs, attorney's fees as well as any other just equitable relief the panel deems appropriate.

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

This matter was originally filed as a public customer dispute. Prior to the commencement of the hearing of this matter the original Claimants reached a settlement with then Respondent PaineWebber, Inc. PaineWebber, Inc. continued to pursue its Third Party Claim against Michael Murray.

Upon review of the file and the representations made by/on behalf of the Claimant, the panel has determined that Third Party Respondent Michael Murray has been properly served with the Statement of Claim pursuant to §13 and §25 of the N.A.S.D. Code of Arbitration Procedure (the "Code"). The panel also determined that Third Party Respondent Michael Murray had received due notice of the hearing as required under §26 of the Code and that arbitration of the matter would proceed pursuant to §29 of the Code.

Third Party Respondent Michael Murray did not file with the N.A.S.D. a properly executed submission to arbitration but is required to submit to arbitration pursuant to §8 of the N.A.S.D. Code of Arbitration Procedure (the "Code") and is bound by the determination of the arbitration panel on all issues submitted.

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 original(s) remain on file with the N.A.S.D..

### **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. Third Party Respondent Michael Murray shall be and hereby is liable for and shall pay to the Third Party Claimant PaineWebber, Inc. the sum of five hundred fifty


**thousand dollars (\$550,000.00).**

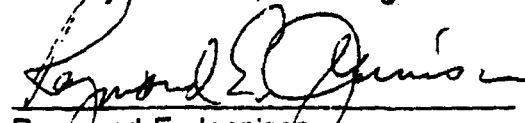
2. Interest at the rate of 10% is awarded on the above stated sum from and inclusive of March 31, 1993 to and inclusive of the date this award is paid in full.
3. Each party shall bear its own costs, expenses and attorney's fees, if any, incurred in this matter not specifically enumerated herein.

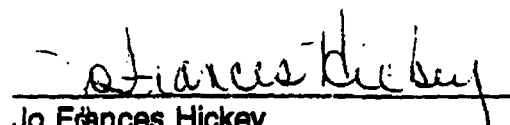
**FORUM FEES**

Pursuant to §44(c) of the N.A.S.D. Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("N.A.S.D.") shall retain the non-refundable filing fee in the amount of \$300.00 previously deposited with the N.A.S.D. by the original public customer Claimants and shall retain as forum fees the hearing session deposit in the amount of \$1,000.00 previously deposited with the N.A.S.D. by PaineWebber, Inc. PaineWebber, Inc. shall pay to the N.A.S.D. the sum of \$500.00 as the non-refundable filing fee for the third party claim.

Forum fees are calculated at the rate of \$1,000.00 per hearing session and \$300.00 for each prehearing conference, if any. **Fees are payable to the National Association of Securities Dealers, Inc.**

  
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Gregory D. May, Esq.  
Industry Arbitrator, Presiding Chair

  
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Raymond E. Jennison  
Industry Arbitrator

  
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Jo Frances Hickey  
Industry Arbitrator

Dated:

8/4/93

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