

N.A.S.D. AWARD

PUBLIC

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Bernice Eura Pitts Jr.
Rachel Anne Pitts

92-04140

Name of Respondents

PaineWebber, Inc.
Frank Bergthold

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 8, 1992, Claimants Bernice E. Pitts and Rachel Anne Pitts, who appeared Pro Se, alleged that Respondent Frank Bergthold, while employed by the Respondent firm PaineWebber, Inc., recommended they invest in Crossland Savings FSB 1.8125, because it was a strong company with excellent dividends. The Claimants contended that the stock declined upon their purchase of it, until it was worth almost nothing, and that the Respondent should never have recommended this security due to all it's problems, which was public information.

Respondents PaineWebber, Inc. and Frank Bergthold, through their in-house counsel, Edward P. Degenhardt, Esq., maintained that the Claimants were advised of the risks and reviewed the appropriate documentation available regarding Crossland Savings, and that the Claimants' decision to buy and hold this stock was their own. The Respondents contended they should not be held liable for the loss in value of the Crossland stock.

RELIEF REQUESTED

Claimants Bernice Eura Pitts and Rachel A. Pitts requested \$5,225.00 in actual damages.

Respondents PaineWebber, Inc. and Frank Bergthold requested the claims of the Claimants be dismissed.

AWARD

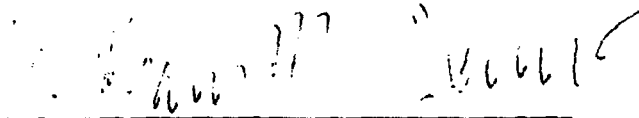
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, William M. Ziering, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on December 2, 1992, by the Respondent PaineWebber, Inc. on January 18, 1993 and by the Respondent Frank Bergthold on February 10, 1993.

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. Respondents PaineWebber, Inc. and Frank Bergthold are jointly and severally liable and shall pay to the Claimants Bernice E. Pitts and Rachel A. Pitts \$786.00 in actual damages.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc. Respondent PaineWebber, Inc. and Frank Bergthold are jointly and severally liable and shall pay to the Claimants \$150.00 as reimbursement of the filing fee.

AFFIRMATION

I, **WILLIAM M. ZIERING**, 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: May 28, 1993