

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

PaineWebber Incorporated

93-03280

Name of Respondent

Lambert Peterson

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**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on August 20, 1993, Claimant PaineWebber, Inc., through its in-house counsel, Garry J. Stegeland, Esq. alleged that Respondent Lambert Peterson had a margin account with a debit balance and that Respondent did not respond to margin calls, forcing Claimant to liquidate the position held in the account. Claimant further alleged that the account was left with an unsecured debit balance, and that the Respondent did not respond to Claimant's request for repayment of the debit balance. Claimant contended, under the Claimant's Agreement, Respondent agreed to pay all indebtedness upon demand, plus interest, costs and expenses, including attorney's fees and should therefore be held liable.

Respondent failed to file an Answer to the Statement of Claim.

**RELIEF REQUESTED**

Claimant PaineWebber requested an award in the amount of \$4,416.54, plus interest at the rate of 10% per annum from March 1, 1993 until payment, together with reasonable attorney's fees in the amount of \$441.65, and NASD filing fees of \$575.

Respondent failed to file an Answer to the Statement of Answer.

OTHER ISSUES TO BE DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure the Respondent was served a copy of the Statement of Claim by regular and certified mail and given an opportunity to respond, which he failed to do. Return receipts, evidencing service on Respondent Lambert Peterson are on file at the NASD.

Pursuant to the By-Laws of the NASD the arbitrator determined that Respondent Lambert Peterson had notice of the claim, was required to submit to this arbitration proceeding and is, therefore, bound by the arbitrator's ruling and determination.

AWARD

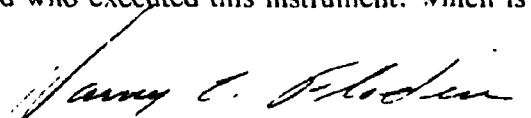
Pursuant to Section 13 of the National Association of Securities, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Harvey C. Flodin, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on August 17, 1993 but not signed by the Respondent as required by Sections 12 & 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure.

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 Lambert Peterson is hereby liable and shall pay to the Claimant PaineWebber, Inc. the sum of \$4,416.54, plus interest at the rate of 7-1/2% per annum from July 1, 1993 to date of payment of the Award.
2. Respondent Lambert Peterson is hereby liable and shall pay to Claimant PaineWebber, Inc. attorney's fees in the amount of \$441.65.
3. The \$575 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD. Respondent is hereby liable and shall pay to Claimant \$575 as reimbursement of the filing fee.

**AFFIRMATION**

I. **HARVEY C. FLODIN, ESQ.**, 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.

A handwritten signature in cursive script, reading "Harvey C. Flodin", is written over a horizontal line.

Signature of Arbitrator

**DATE OF DECISION:** March 30, 1994