

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Hector Perez Perez

93-03830

Name of Respondent

PaineWebber, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on September 24, 1993, Claimant Hector Perez Perez, who appeared Pro Se, alleged that Respondent PaineWebber, Inc. did not properly advise him concerning an investment he had made in Radisson bonds. Claimant further alleged that there was a "default" on the bonds. The Claimant contended that about two months before the default, on two occasions he asked the Respondent to sell the bonds and the Respondent advised him not to sell them because "it was unlikely that we will find another investment paying a good interest". The Claimant further contended that he requested from Respondent a financial statement of the Radisson Hotel, a copy of the check issued by Banco Exterior de Espana to Respondent, a list of the persons who sold the bonds 5 days before the default and the quantities involved. Claimant alleged that Respondent refused to provide this information. In a reply, Claimant alleged that Respondent insinuated that both the principal and the market value were guaranteed by the Banco Exterior de Espana. Claimant further alleged that he believes Respondent refused to send him information in reference to the Radisson Hotel because "with all probabilities inside trading took place". As a result of the above, Claimant contended that he has suffered damages for which Respondent should be held liable.

Respondent PaineWebber, Inc., through its representative Guillermo J. Bobonis of Bobonis, Bobonis & Rodriguez Poventud, San Juan, Puerto Rico, maintained that on February 8, 1988 the Claimant purchased 25,000 Puerto Rico AFICA Radisson Normandie Hotel bonds, 10% due 07/02/97 and guaranteed by a letter of credit issued by Banco Exterior de Espana. Respondent further maintained that in 1992 the Claimant discussed the advisability of selling the bonds with Respondent's Representative, Guillermo Torruella, who advised Claimant to keep the bonds. Respondent contended that a few months later Banco Exterior de Espana declared the bond issuer in default and called the bonds at par. Respondent further contended that the decision not

to sell the bonds was a conscious one taken by Claimant himself, and that Claimant insists Respondent provide him with numerous documents that it does not have and is under no obligation to provide. As a result of the above, Respondent maintained that it should not be held liable in this matter.

RELIEF REQUESTED

Claimant Hector Perez Perez requested \$7,000.00 in actual damages.

Respondent PaineWebber, Inc. requested that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Seth L. Finkel, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on October 29, 1993 and by the Respondent on April 7, 1994.

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. The claims of Claimant Hector Perez Perez against Respondent PaineWebber, Inc. are dismissed in their entirety.
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 Claimant shall be retained by the NASD, Inc.

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AFFIRMATION

I, **SETH L. FINKEL, 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 black ink, appearing to read "Seth L. Finkel", is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION: February 27, 1995