

**NATIONAL ASSOCIATION OF SECURITIES DEALERS
AWARD**

In the matter of the Arbitration Between

Name of Claimants

Jeffrey E. Estes, Trustee
Target Benefit Plan

NASD Arbitration
No. 93-04914

Name of Respondents

Painewebber, Inc.

REPRESENTATION

For Claimants: James C. Krause, Esq. - San Diego, California

For Respondent: Catherine J. Pratt, Esq. - Painewebber, Inc. - Los Angeles, California

CASE INFORMATION

Statement of Claim filed: November 30, 1993

Claimants' Submission Agreement signed: November 18, 1993

Statement of Answer filed by Respondent: February 24, 1994

Respondent's Submission Agreement signed: February 24, 1994

HEARING INFORMATION

Hearing Dates / Sessions: January 5, 1995 / Two Sessions
 January 6, 1995 / One Session

Hearing Location: San Diego, California

CASE SUMMARY

Claimant, Jeffrey E. Estes (Estes), trustee of the Target Benefit Plan (Pension Plan), alleged that Respondent, Painewebber, Inc., breached its duty of reasonable care by failing to determine that the Pension Plan was qualified to purchase put/option contracts, falsely informing Estes that the Pension Plan was not qualified to purchase puts/options, and failing to purchase Centocor May "30" put contracts for the Pension Plan.

Respondent alleged that on April 14, 1992, Centocor stock closed trading at \$31/share. On April 15, 1992, Centocor opened trading at \$20/share. Estes' allegations that he incurred losses because he had not been able to purchase options on April 13, 1992. However, his apparent urgency to purchase the options did not allow the Respondent's Compliance department the opportunity to determine whether options trading was appropriate for the Pension Plan account.

RELIEF REQUESTED

Claimant seeks to recover damages in the amount of \$67,250.00 plus costs.

Respondent seeks dismissal of the claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

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 remains on file with the NASD.

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. Each and every claim of Claimant, Jeffrey E. Estes, TTEE - Target Benefit Plan,, against Respondent, Painewebber, Inc. is dismissed.
2. The parties shall each bear their respective costs and fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure,

Claimant is assessed the sum of \$250.00 representing assessments for one-half of the total fees of \$1,500.00 (3 sessions @ \$500.00), less credit for a deposit of \$500.00.

Respondent is assessed the sum of \$750.00 representing one half of the total fees.

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

ARBITRATORS

Name

Guenter S. Cohn
James H. Bowersox
Richard G. Brand

Public / Industry

Public Arbitrator
Public Arbitrator
Industry Arbitrator

Concurring Arbitrators' Signatures



Guenter S. Cohn

James H. Bowersox

Richard G. Brand

Served 1/31/95

Date of Decision: 1-31-95

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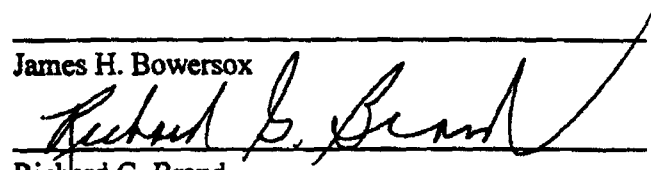
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