

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Theodore R. Aho

vs.

Award #
94-01635

Name of Respondents

PaineWebber, Inc.
Frank Novak

REPRESENTATION

For Claimant, Theodore R. Aho ("Claimant") John R. Blake, Esq., form the law firm of Bowditch & Dewey, located in Worcester, Massachusetts.

For Respondents, PaineWebber, Inc. ("PaineWebber") and Frank Novak ("Novak") (collectively, "Respondents"), Lisa Catalano Tillem, Esq., in-house counsel located in Weehawken, New Jersey.

CASE INFORMATION

Statement of Claim was filed on April 29, 1994.

Claimant's Submission Agreement was signed on June 21, 1994.

Joint Statement of Answer was filed by Respondents on September 12, 1994.

Respondents Submission Agreement was signed on September 26, 1994.

HEARING INFORMATION

Hearing Date/Sessions: June 7, 1995 - 2 sessions

Hearing Location: American Arbitration Association, located at 133 Federal Street, Boston, Massachusetts.

CASE SUMMARY

Claimant alleges that Novak, an account executive at PaineWebber, made unsuitable investment recommendations. Claimant contends Novak recommended that he sell 290 shares of General Electric Stock ("GE") and purchase 1,400 shares of SCORE Components of Americas Trust for GE stock.

Claimant also alleges that he did not understand the nature of or high degree of risk of the SCORES and that he relied on Novak's misrepresentation that SCORES were suitable for his account. Claimant also contends that this recommendation was in contravention of the fiduciary and other duties Respondents owe Claimant.

Respondents allege that the transaction at issue was suitable for Claimant and was chosen by Claimant after he was fully apprised as to all relevant information. Respondents also allege that Claimant did not incur an out-of-pocket loss; in fact, Claimant's account appreciated nearly one hundred percent.

RELIEF REQUESTED

Claimant requests compensatory damages of \$14,259, punitive damages of at least \$10,000, plus interest, costs and attorney fees.

Respondents request that all claims asserted in the Statement of Claim be denied.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies and have agreed to receive conformed copies of the Award while the original remain on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. All counts of the Claimant's Statement of Claim are dismissed.
2. Claimant's request for costs and attorney fees are denied.
3. Respondents are to bear the cost of the NASD forum fees.

FORUM FEES

Pursuant to Section 43(c) of the *Code of Arbitration Procedure*, the following Forum Fees are assessed.

Non-refundable filing fee - \$200.00

Hearing Session Fee - \$1,500.00 (2 hearing sessions @ \$750.00 per session)

Total Fees = \$1,700.00

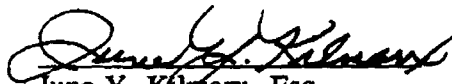
1. Claimant previously paid \$950.00 and is entitled to a refund.
2. Respondents shall satisfy the fees assessed by reimbursing Claimant \$950.00 and by remitting the balance of \$750.00 to the NASD.

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

ARBITRATION PANEL

June Y. Kilmarx, Esq.	-	Public Chairperson
Robert D. Banz	-	Public Panelist
Daniel B. Mann	-	Industry Panelist

Concurring Arbitrator's Signature


June Y. Kilmarx, Esq.

NASD Date of Decision: July 26, 1995

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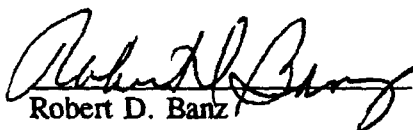
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June Y. Kilmarx, Esq.	-	Public Chairperson
Robert D. Banz	-	Public Panelist
Daniel B. Mann	-	Industry Panelist

Concurring Arbitrator's Signature

 7/3/95
Robert D. Banz

NASD Date of Decision: July 26, 1995

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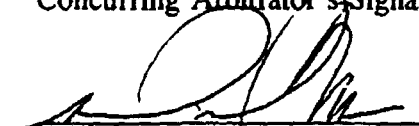
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Robert D. Banz	-	Public Panelist
Daniel B. Mann	-	Industry Panelist

Concurring Arbitrator's Signature


Daniel B. Mann

Executed on:
~~NASD Date of Decision:~~ 6-7-95
NASD Date of Decision: July 26, 1995