

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

PaineWebber, Inc.

95-00937

Name of Respondent

Travel Banc, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 22, 1995, Claimant, PaineWebber, Inc., through its representative and in-house counsel, Joseph F. Generelli, Esq., located in Weehawken, NJ, alleged that Respondent, Travel Banc, Inc., failed to repay a debit balance in its account. Claimant further alleged that on October 13, 1994, Respondent opened an account with Claimant purchasing 10,000 shares of Aura Systems, Inc. for a total cost of \$52,606.63 on margin. Claimant contended that it received two checks from Respondent on October 14, 1994, for \$22,000.00 and \$4,305.00. Claimant further contended that one week later, Respondent purchased an additional 5,000 shares of Aura Systems, Inc. on margin for a total of \$28,646.15. Claimant alleged that on October 27, 1994, it was notified that Respondent's check for \$22,000.00 was returned due to insufficient funds, at which time Claimant sold-out 15,000 shares of the Aura stock that was on margin for a net of \$70,483.13 resulting in a loss of \$6,464.65 to Claimant, plus interest. Claimant further alleged that a demand letter was sent to Respondent on December 14, 1994 and there has been no response by Respondent to date. As a result of the above, Claimant alleged that it has suffered a loss for which Respondent should be held liable.

Respondent, Travel Banc, Inc., failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant, PaineWebber, Inc., requested \$6,811.62 in actual damages, interest at the rate of 10% per annum from December 1, 1994 until the payment of this award, as well as reasonable attorney's fees and the NASD filing cost of \$575.00.

Respondent, Travel Banc, Inc., failed to file an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure, Respondent Travel Banc, Inc., was served by regular mail and given an opportunity to respond, which it failed to do. Service of the notification of the Arbitrator's identity was effected upon the Respondent Travel Banc, Inc., which was sent by certified mail, as evidenced by the signed return receipt card on file at the NASD.

Pursuant to the By-laws of the NASD, the Arbitrator determined that Respondent Travel Banc, Inc., had notice of the claim, and was required to submit to this arbitration proceeding; and is, therefore, bound by the arbitrator's ruling and determination.

AWARD

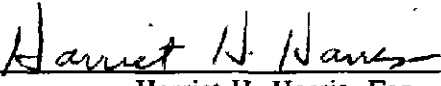
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Harriet H. Harris, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant, PaineWebber, Inc., on March 10, 1995, and not the Respondent, Travel Banc, Inc., as required by Sections 12 and 13 of the NASD 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, Travel Banc, Inc., is liable and shall pay to the Claimant, PaineWebber, Inc., \$73.93 in actual damages.
2. The parties shall bear their respective costs and attorney's fees.
3. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant, PaineWebber, Inc., shall be retained by the NASD, Inc. Respondent, Travel Banc, Inc., is liable and shall pay to the Claimant, PaineWebber, Inc., \$287.50 as reimbursement of one-half of the filing fee.

AFFIRMATION

I, **HARRIET H. HARRIS, 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.



Harriet H. Harris, Esq.

DATE OF DECISION: November 20, 1995