

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

PaineWebber, Inc.

95-00939

Name of Respondent

Michael Silverstein

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 22, 1995, Claimant PaineWebber, Inc., through in-house counsel, Joseph F. Generelli, Esq., alleged that on or about March 22, 1994, Respondent Michael Silverstein, opened an investment account with Claimant, through their representative Larry McQuaid ("McQuaid"), and signed both a New Account Form and Option Trading Account Form which clearly stated the rules and procedures involved with option trading. Claimant further alleged that on September 26, 1994, Respondent directed McQuaid to purchase 10 October, 55 calls of Mercantile Stores for Respondent's account at 4 1/8 for total cost of \$4,277.72, and pursuant to the above agreements, was thereby obligated to pay this sum to Claimant within 24 hours. Claimant contended that by October 5, 1994, no payment had been received from Respondent, and that on that date Claimant liquidated its position, recovering only \$87.39 of the original price, for a loss of \$4,284.58. Claimant further contended that even after numerous oral and written demands for payment made to Respondent, he has not remitted the disputed sum. Claimant alleged that as a result of the above, it has suffered a loss for which the Respondent should be held liable.

Respondent Michael Silverstein failed to file an Answer to the Statement of claim.

RELIEF REQUESTED

Claimant PaineWebber, Inc., requested \$4,284.58 in actual damages.

Respondent Michael Silverstein failed to file an Answer to the Statement of claim.

OTHER ISSUES CONSIDERED AND DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure, Respondent Michael Silverstein was served by regular mail and given an opportunity to respond, which he failed to do. Notice of the overdue answer and notification of the arbitrator's identity were received by the Respondent, as evidenced by return receipt cards on file at the NASD.

Pursuant to the By-laws of the NASD, the Arbitrator determined that Respondent Michael Silverstein 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, Michael E. Curan, 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 February 21, 1995, but not by Respondent Michael Silverstein, as required by Sections 12 & 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. The Respondent Michael Silverstein, is liable and shall pay to the Claimant PaineWebber, Inc., \$4,284.58 in actual damages.
2. The Respondent Michael Silverstein, is liable and shall pay to the Claimant PaineWebber, Inc., simple interest at the rate of 9% per annum for the period extending from October 15, 1994 to the date of payment of the award.
3. The parties shall bear their respective costs.
4. 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. The Respondent Michael Silverstein, is liable and shall pay to the Claimant PaineWebber, Inc., \$575.00 as reimbursement of the filing fee.

AFFIRMATION

STATE OF

N.Y.

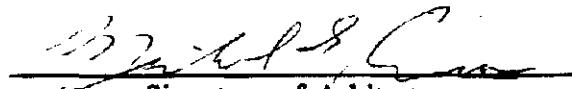
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SS:

COUNTY OF

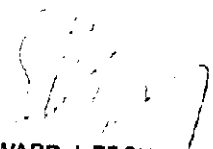
N.Y.

I, MICHAEL E. CURAN, 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.



Signature of Arbitrator

DATE OF DECISION: February 9, 1996


EDWARD J. TROY
Notary Public, State of New York
No. 12185-11041
Qualified in the County of _____
Commission expires October 18, 1997