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N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between:

© National Association of
Securities Dealers

Name of Claimant(s)

1996

PaineWebber, Inc.

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95-04502

Name of Respondent(s)

Lee S. Rosen

REPRESENTATION

For Claimant PaineWebber, Inc. ("Claimant"), Evan J. Charkes, Esq. of PaineWebber, Inc. located in Weehawken, N.J.

For Respondent Lee S. Rosen ("Respondent"), Steven J. Cohen, Esq. of Gold & Wachtel, LLP, located in New York, N.Y.

CASE INFORMATION

Statement of Claim filed: August 21, 1995.

Claimant's Submission Agreement signed on: August 12, 1995.

Statement of Answer filed by Respondent, Lee S. Rosen on: November 24, 1995.

Respondent, Lee S. Rosen Submission Agreement signed on: November 22, 1995.

HEARING INFORMATION

Pre-Hearing Conference: June 28, 1996 - 1 session.

Hearing Dates/Sessions:
August 6, 1996 - 2 sessions
August 15, 1996 - 2 sessions
August 16, 1996 - 1 session

Hearing Location: The hearings were held at the NASD offices located in New York City and the City Midway Club located in New York City.

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RELIEFREQUESTED

Claimant requested an award of \$151,344.04 plus interest, attorney's fees and costs. Additionally, Claimant requested that the counterclaim of Respondent be denied.

Respondent requested that the claims of the Claimant be dismissed and that he be awarded an amount of not less than \$150,000 for his counterclaim.

OTHER ISSUES CONSIDERED & 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 originals remain 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. Respondent Lee S. Rosen be and hereby is liable and shall pay to Claimant PaineWebber \$170,421.75.
2. The CounterClaim of Respondent Lee S. Rosen against Claimant PaineWebber be and hereby is denied.
3. Each party shall bear their respective costs, including attorney's fees.
4. All other claims be and hereby are denied.

REPORT OF ARBITRATORS

In making our decision we are not convinced that the pursuit of shareholder rights, in and of itself, necessarily constitutes a violation of PaineWebber's Code of Conduct. However, we find that ample evidence exists in this case to fully support the obligation of Mr. Rosen to repay the promissory note in question, with interest from June 5, 1995.

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FORUM FEES

Pursuant to Section 44c of the Code of Arbitration Procedure, the arbitrators have determined that the NASD shall retain the \$500.00 filing fee submitted by each party and have assessed the following Forum Fees:

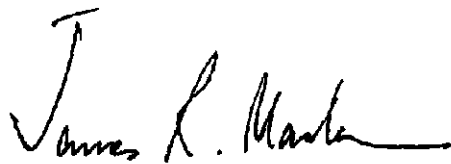
Pre-hearing conference:	\$300.00
5 hearing sessions x \$750:	\$3,750.00
Total forum fees assessed:	\$4,050.00

Claimant be and hereby is liable for \$2,025.00 representing one half of forum fees assessed. Claimant previously deposited \$750.00 with the NASD and, accordingly, shall pay \$1,275.00 to the NASD.

Respondent be and hereby is liable for \$2,025.00 representing one half of forum fees assessed. Respondent previously deposited \$750.00 with the NASD and, accordingly, shall pay \$1,275.00 to the NASD.

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

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A handwritten signature in cursive script, reading "James R. Madan". The signature is written in dark ink and is positioned above a horizontal line.

James Madan

I, James Madan, do hereby affirm that this is my decision in the above-captioned matter.

A second handwritten signature in cursive script, reading "James R. Madan". This signature is also written in dark ink and is positioned above a horizontal line.

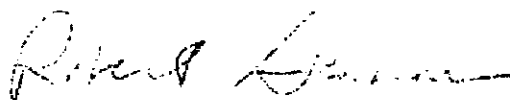
James Madan

DATE OF DECISION: September 25, 1996

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Robert Seaman, Esq.

I, Robert Seaman, do hereby affirm that the above-captioned matter



Robert Seaman, Esq.

DATE OF DECISION: September 25, 1996

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Linda R. Alpert
Linda Alpert, Esq.

I, Linda Alpert, do hereby affirm that this is my decision in the above-captioned matter.

Linda R. Alpert
Linda Alpert, Esq.

DATE OF DECISION: September 25, 1996