

N.A.S.D. STIPULATED AWARD

NASD Regulation, Inc. Office of Dispute Resolution

In the Matter of the Arbitration Between

Donald W. Knauer

96-03204

PaineWebber, Inc.
Paul Gilman

REPRESENTATION

For Claimant Donald Knauer ("Knauer"): Albert Rapoport, Esq., Boca Raton, Florida.

For Respondents PaineWebber, Inc. ("PaineWebber") and Paul Gilman ("Gilman"): Lisa Catalano Tillem, Esq. of PaineWebber, Inc., Weehawken, New Jersey.

CASE INFORMATION

Statement of Claim filed: August 26, 1996.

Claimant's Submission Agreement signed on: April 19, 1996.

Joint Statement of Answer filed by Respondents: October 15, 1996.

Respondent PaineWebber's Submission Agreement/Corporate Acknowledgment signed on: October 15, 1996 by Joseph F. Generelli on behalf of the firm.

Respondent Gilman did not file an executed Submission Agreement.

HEARING INFORMATION

The arbitration panel conducted a telephonic pre-hearing conference which lasted one (1) session on December 2, 1996.

CASE SUMMARY

Claimant alleged that his investment in Viacom B stock was purchased at a price higher than he requested. Claimant also alleged that his investments in Midlantic, AT&T, and Motorola were sold too soon, and, therefore, he missed out on the subsequent further appreciation of those three stocks.

Respondents maintained that all transactions were discussed with the Claimant prior to execution and that the Claimant approved each transaction; that Claimant reaped profits on each trade which is the subject of this arbitration with the exception of Viacom which was transferred out of PaineWebber in November, 1995 at an unrealized loss of about \$7,100.00; and, that the Viacom stock has since recovered and the Claimant can now sell the investment at a gain.

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RELIEF REQUESTED

Claimant requested an award of \$41,259.48 which consists of lost opportunity profits and fees.

Respondents requested that Claimant's claim be dismissed in its entirety and that Respondents be awarded their costs and fees.

OTHER ISSUES CONSIDERED & DECIDED

1. Respondent Gilman did not file with NASD Regulation, Inc. Office of Dispute Resolution a properly executed Submission Agreement but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure ("Code") and having answered the claim is bound by the determination of the arbitration panel on all issues submitted.
2. Prior to the arbitration hearing the Claimant reached a settlement with Respondent PaineWebber and withdrew all claims against Respondent Gilman, with prejudice, thereby removing him as a Respondent in this matter. Therefore, the parties jointly requested an Award by the panel expunging all references to this matter from Respondent Paul Gilman's Central Depository ("CRD") record with the NASD.
3. The parties have agreed to bear their own costs in connection with this proceeding.

AWARD

The undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. All references to this arbitration shall be expunged from Respondent Paul Gilman's Central Registration Depository ("CRD") record with the NASD.

FORUM FEES

Pursuant to Rule 10332(b) of the Code of Arbitration Procedure, a hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with an arbitrator, which lasts four hours or less.

The parties have incurred forum fees in the amount of \$400.00 (one (1) pre-hearing conference (panel) x \$400.00).

1. Pursuant to the agreement of the parties NASD Regulation, Inc. shall retain the \$400.00 previously deposited by the Claimant in full satisfaction thereof.

OTHER FEES

1. Pursuant to Rule 10332 of the Code, Claimant has paid to NASD Regulation, Inc. the claim filing fee of \$120.00.

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2. Pursuant to Rule 10333 of the Code, Respondent PaineWebber has paid to NASD Regulation, Inc. the \$200.00 member surcharge previously invoiced.

ARBITRATION PANEL

Concurring Arbitrators' Signatures

_____/s/_____
Myron Dunay, Esq.

Public/Chairperson

_____/s/_____
Irving I. Hanzman

Industry/Panelist

_____/s/_____
Paul E. Morgan

Public/Panelist

Date of Decision: June 18, 1998

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

 In the Matter of the Arbitration Between

DONALD KNAUER,

Claimant,

vs.

PAINWEBBER INCORPORATED
and PAUL GILMAN,

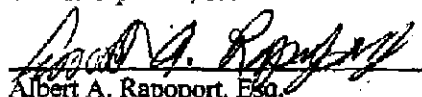
Respondents.

NASD Case No.
96-03204STIPULATION OF
WITHDRAWAL AND
DISMISSAL

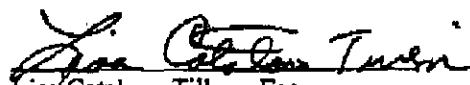
IT IS HEREBY STIPULATED AND AGREED by and between counsel for the undersigned parties that any and all claims asserted against Mr. Paul Gilman in this arbitration are hereby withdrawn with prejudice and Mr. Gilman is dismissed and Mr. Gilman's name be removed from the caption of this matter;

IT IS FURTHER STIPULATED AND AGREED that the parties here jointly move for an Award by the Arbitration Panel expunging all reference of this matter from Mr. Paul Gilman's Central Registration Depository ("CRD") and submit the attached proposed Award for that purpose.

Dated: April 15, 1998


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 Attorney for Claimant
 Donald Knauer

BY FAX
 + MARK


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 Attorney for Respondents
 PaineWebber Incorporated and
 Paul Gilman