

NASD REGULATION AWARD

In the Matter of the Arbitration Between

Name of Claimant

Susan Ann Bardfield Trust

96-03964

Name of Respondents

PaineWebber, Inc.
Laurence Wood

REPRESENTATION

For claimant the Susan Ann Bardfield Trust appeared Philip Raible, Esq. of the law offices Squadron, Ellenoff, Plesent & Sheinfeld located in New York, New York.

For respondents PaineWebber, Inc. ("PaineWebber") and Laurence Wood ("Wood") (collectively "respondents") appeared Kathryn Krebs, Esq., Corporate Vice President and Senior Litigation Counsel for PaineWebber.

CASE INFORMATION

Statement of Claim was filed on: September 5, 1996.

Claimant's Submission Agreement was signed on: September 16, 1996.

Joint Statement of Answer was filed on: December 13, 1996.

Respondent PaineWebber's Submission Agreement was signed on: December 24, 1996.

Respondent Wood's Submission Agreement was signed on: November 27, 1996.

HEARING INFORMATION

Hearing Date/Sessions: June 30, 1997 - 2 sessions

The hearings were conducted at the offices of NASD Regulation located in New York, New York.

CASE SUMMARY

Susan Ann Bardfield ("Bardfield"), trustee for the Susan Ann Bardfield Trust, alleged that she relied upon Wood's stated expertise in selecting investments which would meet her investment

objectives. Bardfield contended that her primary investment objective was to preserve principal and her secondary objective was to generate income, but with minimal risk and speculation. Bardfield further alleged that, in August 1993, based upon Wood's recommendation, she invested in two bond funds. In addition, Bardfield alleged that, during the period August 1993 through July 1994, these investments resulted in losses and did not conform with her stated objectives. Bardfield also contended that PaineWebber neglected to adequately supervise the activities of, or otherwise discharge its duties with respect to Wood, one of its registered representatives.

Respondents alleged that, based upon Bardfield's objective of increasing the income generated by her account to at least \$5,000.00 per month, Wood suggested several mutual funds. Respondents maintained that Wood provided Bardfield with a prospectus and historical information regarding the performance of each of the funds and advised her that these investments should be considered long term investments. In addition, respondents alleged that the increase in interest rates by the Federal Reserve negatively impacted the net asset value of two of the mutual funds purchased by the trust and, therefore, any losses suffered were the result of market forces.

RELIEF REQUESTED

Claimant requested actual damages in the amount of \$65,000.00, plus interest, costs and expenses, including attorneys' fees.

Respondents requested that all claims be denied and that they be awarded their costs.

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. All claims are hereby dismissed.
2. Respondent PaineWebber be and hereby is liable and shall pay to claimant the sum of \$500.00 to reimburse claimant for a portion of the filing fees previously paid to NASD Regulation.
3. Claimant's request for expenses, including attorneys' fees is hereby denied.
4. All other requests are hereby denied.

FORUM FEES

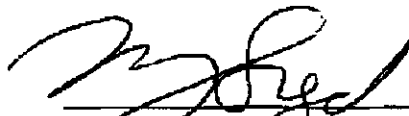
Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the arbitrators have determined that NASD Regulation shall retain the \$150.00 non-refundable filing fee and have assessed the following forum fees:

2 hearing sessions x \$500.00	=	\$1,000.00
member surcharge	=	\$ 300.00

Respondent PaineWebber be and hereby is liable for the sum of \$1,300.00, representing the total amount of forum fees assessed for the hearings in this matter and the member surcharge. Claimant previously deposited \$500.00 with NASD Regulation, Inc. which PaineWebber shall pay to claimant as provided in the "Award" section above. PaineWebber previously deposited \$250.00 with NASD Regulation. Therefore, PaineWebber shall pay NASD Regulation the sum of \$550.00, representing the total amount of forum fees outstanding.

Fees are payable to the NASD Regulation, Inc.

Arbitrators' Signatures



Martin Jay Siegel, Esq.
Chairperson-Public Arbitrator

William A. Mechmann, Esq.
Public Arbitrator

Paul E. Barr
Industry Arbitrator

Date of Decision: August 1, 1997


I, Martin Jay Siegel, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the person described herein and who executed this instrument which is my award.



Martin Jay Siegel, Esq.

Arbitrators' Signatures

Martin Jay Siegel, Esq.
Chairperson-Public Arbitrator

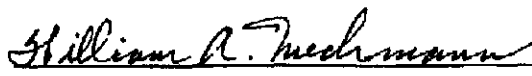


William A. Mechmann, Esq.
Public Arbitrator

Paul E. Barr
Industry Arbitrator

Date of Decision: August 1, 1997

I, **William A. Mechmann, Esq.**, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the person described herein and who executed this instrument which is my award.



William A. Mechmann, Esq.

Arbitrators' Signatures

Martin Jay Siegel, Esq.
Chairperson-Public Arbitrator

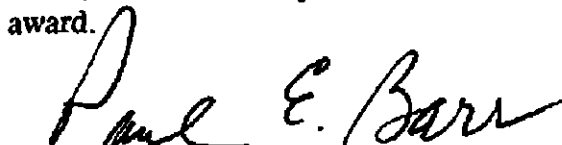
William A. Mechmann, Esq.
Public Arbitrator



Paul E. Barr
Industry Arbitrator

Date of Decision: August 1, 1997

I, Paul E. Barr, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the person described herein and who executed this instrument which is my award.



Paul E. Barr