

NASD REGULATION, INC. AWARD

In the Matter of the Arbitration Between

Name of Claimant

Robert E. Stanley

96-04307

Name of Respondents

PaineWebber, Inc.
Kevin R. Katterhenry

REPRESENTATION

Claimant Robert E. Stanley ("claimant") appeared pro se.

For Respondents PaineWebber, Inc. and Kevin R. Katterhenry ("Katterhenry") appeared Hector Becil, Esq. of PaineWebber, Inc.

CASE INFORMATION

Statement of Claim filed on August 5, 1996.

Claimant's Submission Agreement signed on September 12, 1996.

Joint Statement of Answer filed by Respondents, PaineWebber Inc. and Kevin R. Katterhenry on January 3, 1997.

Respondent, PaineWebber's Submission Agreement signed on January 10, 1997.

Respondent, Kevin R. Katterhenry's Submission Agreement was signed on December 26, 1996.

HEARING INFORMATION

Pre-Hearing Conference: April 29, 1997 - One Session

Hearing Date/Sessions: May 12, 1997 - Two Sessions

The hearings were conducted at The Doubletree Guest Suite Hotel located in Columbus, Ohio.

CASE SUMMARY

Claimant alleged that when he met Katterhenry for the first time, approximately January 1993, he suggested GNMA's and FNMA's to claimant. Katterhenry then showed claimant an MBS Inventory Display sheet and said these were the right kind of investments for claimant. Claimant maintained that he knew nothing about Federal Home Loans.

Claimant alleged that on October 2, 1993 he received a letter with a brochure from Van Kampen Merritt U.S. Government Fund. Claimant further alleged that this was the only U.S. Government Fund information he received. Claimant maintained that he never talked to Katterhenry about any other fund or authorized any monies to be put in any other account. Claimant contended that he was informed that he was not in a Van Kampen Merritt Government Fund. Claimant further contended that he was told he would receive 7% or better on all funds invested and was told that he was not buying any life insurance.

Claimant asserted that he contacted Tom Carnes of Dean Witter Reynolds, after Katterhenry left PaineWebber to assess his situation. Claimant met with him in approximately July 1994. Claimant alleged that he learned from Mr. Carnes that he had invested in a Federal Home Loan Fund for 30 years, he had invested in a PaineWebber Government Fund and that he would not be receiving the 7% interest (or better) per year on his annuity.

Claimant contended that he had advised Katterhenry that he did not understand his monthly statements and that Katterhenry responded that he was not to be concerned with anything on the monthly statements except under Security Transactions - Change in Value of Investments.

Respondents maintained that claimant invested in a conservative annuity, a government bond fund, and a couple of CMO's (mortgage pools) which he authorized and which met his expressed objectives. Respondents also maintained that the claimant received accurate information about various investment options and then made his own well-informed decisions about how and where to invest his money. Respondents further contended that claimant was given written confirmation of each of his transactions and received monthly statements which fully disclosed his holdings. Respondents maintained that the claimant has not suffered the losses he claims, hence his claim should be dismissed in its entirety.

RELIEF REQUESTED

Claimant requested damages in the amount of \$16,375.73 plus interest.

Respondents requested that claimant's demand for damages be denied in its entirety; that costs, expenses and attorney's fees be assessed against claimant; and such other relief as the arbitration panel deems appropriate.

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 arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims against Respondents are hereby denied;
2. Each party will bear their own costs and expenses;
3. The request of Respondents to order the expungement of Claimant's complaint from the CRD of Respondent Katterhenry, made as part of Respondent's closing argument, is denied;

FORUM FEES

Pursuant to Rule 10205(c) of the code of Arbitration Procedure, the arbitrators have determined that NASD Regulation, Inc. shall retain the \$100.00 filing fee previously paid by claimant and have assessed the following forum fees:

1 pre-hearing session x \$300.00	=	\$300.00
2 hearing sessions x \$300.00	=	\$600.00
Total Forum Fees	=	\$900.00

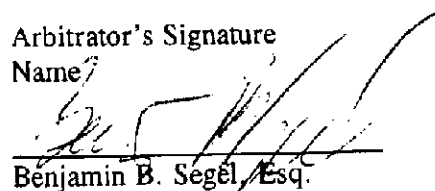
Claimant be and hereby is liable for the sum of \$450.00, representing one-half of the total amount of forum fees assessed. Claimant previously deposited \$300.00 with NASD Regulation, Inc. Therefore, Claimant owes \$150.00.

PaineWebber Incorporated and Kevin R. Katterhenry be and hereby are jointly and severally liable for and shall pay to NASD Regulation, Inc. the sum of \$450.00, representing one-half of the forum fees assessed.

Fees are payable to NASD Regulation, Inc.

Arbitrator's Signature

Name


Benjamin B. Segel, Esq.

Public Arbitrator

Date of Decision: July 15, 1997