

1/98
NASD REGULATION, INC. AWARD

In the Matter of the Arbitration Between

Name of Claimant

Howard Jacobs

97-00033

Name of Respondent

PaineWebber, Inc.

REPRESENTATION

Claimant Howard Jacobs ("Claimant") appeared pro se.

For Respondent PaineWebber, Inc. ("Respondent") appeared Major Kahn, Esq., in-house counsel located in Weehawken, New Jersey.

CASE INFORMATION

Statement of Claim filed on: January 3, 1997.

Claimant's Submission Agreement signed on: December 31, 1996.

Statement of Answer filed by Respondent on: March 11, 1997.

Respondent's Submission Agreement signed on: March 11, 1997.

HEARING INFORMATION

Hearing Dates/Sessions:	October 7, 1997	Two Sessions
	November 19, 1997	Two Sessions
	November 24, 1997	Two Sessions

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

CASE SUMMARY

Claimant alleged that, on June 6, 1994, Andrew Kaiser ("Kaiser"), Respondent's registered representative, offered to sell him Seven Up/RC Bottling Notes (the "Notes".) Claimant further alleged that Kaiser never disclosed to him that the Notes were for the Seven Up/RC Bottling Company of Southern California, a privately owned distributorship. Claimant alleged that Respondent never disclosed on the trade confirmation or monthly account statement that the Notes were for the bottling company of Southern California, which lead him to believe that the Notes were backed by the Dr. Pepper/Seven Up Parent Company. Claimant asserted that the trade was unsolicited and was indicated as such on the trade confirmation and monthly account statement. Claimant alleged that he sold the Notes at

a loss after the Southern California Bottling Company defaulted on them. Claimant also asserted that he relied on information from Respondent in making this purchase to his detriment.

Respondent maintained that Claimant was an experienced bond investor who instructed Kaiser to purchase the Notes. Respondent further maintained that Kaiser informed Claimant that he was not familiar with the Notes, and all he could tell Claimant was that the Notes were high yield which implied that they were a high risk investment. Respondent also maintained that Kaiser informed Claimant that these were "junk" bonds and warned Claimant not to invest in the Notes since they had a high risk of default. Respondent asserted that at the time of Claimant's purchase of the Notes, no other Seven Up/RC Bottling Company bonds were being sold other than the Southern California company. Respondent further asserted that Claimant never complained of his investment until it lost money and now attempts to hold Respondent responsible for his losses. Respondent maintained that it made no misrepresentations to Claimant.

RELIEF REQUESTED

Claimant requested damages in the amount \$9,204.00, plus interest and any other relief that the Panel deems just and proper.

Respondent requested that the Statement of Claim be dismissed in its entirety, that they be awarded costs, expenses, and attorneys' fees, that all fees be assessed against Claimant and that it be awarded all other relief as the panel deems appropriate.

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. Respondent be and hereby is liable and shall pay to Claimant damages in the amount \$4,997.00, specifically excluding interest.
2. Respondent be and hereby is liable and shall pay to Claimant the sum of \$275.00 as reimbursement of the Filing Fee and Hearing Session Deposit which was previously paid by Claimant to NASD Regulation, Inc.
3. All other requests for relief are hereby denied.

FORUM FEES

Pursuant to Rule 10332(c) of the NASD Regulation, Inc. Code of Arbitration Procedure, the arbitrator has assessed the following Forum Fees:

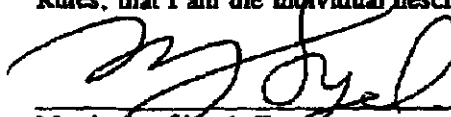
Filing Fee	=	\$ 75.00
6 Hearing Sessions x \$200.00	=	\$1,200.00
Total Forum Fees	=	\$1,275.00

1. Respondent be and hereby is liable for the sum of \$1,275.00, representing one-hundred percent of forum fees assessed. Claimant previously deposited \$275.00 with NASD Regulation, Inc., therefore, Respondent shall pay to NASD Regulation, Inc. the balance of \$1,000.00.
2. Respondent be and hereby is liable and shall pay to Claimant the sum of \$275.00, as provided in the "Award" section.
3. Respondent be and hereby is liable and shall pay to NASD Regulation, Inc. the sum of \$100.00, representing the Member Surcharge assessed.

ARBITRATOR'S SIGNATURE


Martin Jay Siegel, Esq.

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


Martin Jay Siegel, Esq.
Public Arbitrator - Chairperson

Date of Decision: January 13, 1998