

MSRB
MUNICIPAL SECURITIES RULEMAKING BOARD

In the Matter of the Arbitration between	:	
	:	
	:	AWARD
	:	
Claimant,	:	
v.	:	MS90-04
	:	SC0-002
PAINEWEBBER, INC.,	:	
Respondent.	:	

The Undersigned, pursuant to section 31 of MSRB rule G-35, hereby state as follows:

CASE SUMMARY

Claimant alleges that he purchased from Respondent \$10,000 New Jersey State Mortgage Finance Agency Statewide Mortgage Purchase Revenue Bonds, 1983 Series 2, 9.75% due 4-1-95, dated 12-1-83 callable @102 on 10-1-93 (the "bonds"). Claimant alleges that Respondent's representative, represented the bonds as very safe, bearing a good return, tax-free, and with call protection until 10-1-93. The bonds were called on 3-1-89 @ par and Claimant alleges that Respondent misrepresented the bonds by leading him to believe that they could not be called until 10-1-93. Claimant maintains that the printed confirmation and the verbal statements by the Respondent's representative confirmed this belief, and lulled him from investigating further.

Respondent does not dispute that its representative, recommended said bonds to Claimant keeping in line with his investment objectives, which were, in order of priority: investment grade, capital gains, income and speculative. Respondent denies, however, the allegation that Claimant was led to believe that the bonds had call protection until 10-1-93. Respondent maintains that it informed Claimant of the early call feature via the confirmation slip, which states on its face that "call features exist which may affect yield additional info. on request", and via the prospectus sent with the confirmation. Respondent maintains that it acted in a proper, prudent and professional manner and should not be held liable for Claimant's loss.

RELIEF REQUESTED

Claimant requests relief in the amount of \$1,620.00.

Respondent requests that Claimant's claim be dismissed in its entirety, and that the costs be assessed against Claimant.

AWARD

On November 12, 1990, in New York City, New York the undersigned arbitrator heard the controversy between the parties set forth in a submission to the arbitrator signed by Claimants on December 18, 1989 (filed with the MSRB on January 11, 1990) and by Respondent on March 23, 1990. The undersigned, having considered the pleadings, the testimony and the evidence presented at the hearing, has determined, in full and final resolution of the issues submitted for determination, that the claims of the Claimant are dismissed in their entirety. Each of the parties shall bear its own costs. Pursuant to section 2 of MSRB rule A-16, Claimants' \$25 arbitration deposit shall be returned to Claimant by the MSRB and assessed against Respondent as forum fees. Respondents' \$100 adjournment fee shall be retained by the MSRB, pursuant to MSRB rule 20(b) of MSRB rule G-35.

Peter M. Brabbée

Peter M. Brabbée

Dated:

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JAN 18 1991

STATE OF
COUNTY OF

ss.:

N.S.A.D.

On this 17th day of January, 1991, before me personally appeared Peter M. Brabbée to me known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

Alfred E. Juico

ALFRED E. JUICO
A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 21, 1995