

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

UBS PaineWebber, Inc.

and

00-05680
Southfield, Michigan

Mark A. Stegeman

REPRESENTATION OF PARTIES

UBS PaineWebber, Inc. ("Claimant") was represented by Joel E. Davidson, Esq., Law Offices of Joel E. Davidson, Esq., Park Ridge, New Jersey.

Mark A. Stegeman ("Respondent") was represented by John J. McHugh, III, Esq., McHugh, DeNune & McCarthy, Ltd., Sylvania, Ohio.

CASE INFORMATION

The Statement of Claim was filed on or about December 19, 2000. Submission Agreement of Claimant UBS PaineWebber, Inc. was signed on December 18, 2000, by Robert Knapp.

Statement of Answer was filed by Respondent Mark A. Stegeman on or about February 16, 2001. Submission Agreement of Respondent Mark A. Stegeman was signed on February 16, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: conversion, failure to repay obligations under the Promissory note which Respondent should have signed, failure to repay obligations under May 30, 2000, Agreement, failure to repay costs of defense. The causes of action relate to Respondent's alleged failure to honor financial obligations incurred during Respondent's employment with Claimant.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted defenses including the following: Claimant is barred by the terms of the May 30, 2000, Settlement Agreement from asserting any additional or further claim against Respondent, such that claims sounding in conversion, claims under the unsigned promissory note, claims for punitive damages, and claims for the settlement are barred.

RELIEF REQUESTED

Claimant requested an award in the amount of \$176,000.00 plus prejudgment interest, treble damages in an amount not less than \$528,000.00 based upon the wanton and malicious actions of Stegeman, plus additional interest and attorney's fees provided for in the Note, and \$90,000.00 in costs.

Respondent requested specific findings of fact, that the claims asserted against him be denied in their entirety and that he be awarded his costs and attorneys' fees.

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 original(s) remain on file with the NASD Dispute Resolution, Inc. (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.) Respondent, Mark A. Stegeman, is liable for and shall pay to Claimant, UBS PaineWebber, Inc., the sum of \$176,200.00 in compensatory damages;
- 2.) Respondent, Mark A. Stegeman, is liable for and shall pay to Claimant, UBS PaineWebber, Inc., interest at the rate of 5% per annum on the above-stated sum, from and inclusive of June 3, 2000, to and inclusive of the date this Award is paid in full;
- 3.) Respondent, Mark A. Stegeman, is liable for and shall pay to Claimant, UBS PaineWebber, Inc., the sum of \$1,250.00 in costs;
- 4.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 5.) That any relief not specifically enumerated, including treble and punitive damages is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain the non-refundable filing fees for each claim:

Initial claim filing fee = \$1,250.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is UBS PaineWebber, Inc.

Member surcharge = \$3,500.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$2,000.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$1,200.00 = \$1,200.00

Pre-hearing conference: June 15, 2001 1 session

Three (3) Hearing sessions x \$1,200.00 = \$3,600.00

Hearing Dates: October 2, 2001 2 sessions

October 1, 2001 1 session

Total Forum Fees = \$4,800.00

The Arbitration Panel has assessed \$4,800.00 of the forum fees to Mark A. Stegeman.

Fee Summary

Claimant, UBS PaineWebber, Inc., is liable for:

Initial Filing Fee = \$ 1,250.00

Member Fees = \$ 6,100.00

Forum Fees = \$ 0.00

Total Fees = \$ 7,350.00

Less payments = \$ 8,550.00

Balance refunded by NASD Dispute Resolution, Inc. = \$ 1,200.00

Respondent, Mark A. Stegeman, is liable for:

Forum Fees	= \$ 4,800.00
Total Fees	= \$ 4,800.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 4,800.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Barry Goldman, Esq. - Public, Presiding Chair
Barbara A. Johannessen, Esq. - Public Arbitrator
Donald L. Richardson - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Barry Goldman, Esq.
Barry Goldman, Esq.
Public Arbitrator, Presiding Chair

10/08/01
Signature Date

/s/ Barbara A. Johannessen
Barbara A. Johannessen, Esq.
Public Arbitrator

10/05/01
Signature Date

/s/ Donald L. Richardson
Donald L. Richardson
Non-Public Arbitrator

10/10/01
Signature Date

10/10/01
Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
Arbitration No. 00-05880
Award Page 4 of 4

Respondent, Mark A. Stegeman, is liable for:

Forum Fees	= \$ 4,800.00
Total Fees	= \$ 4,800.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 4,800.00

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ARBITRATION PANEL

Barry Goldman, Esq. - Public, Presiding Chair
Barbara A. Johannessen, Esq. - Public Arbitrator
Donald L. Richardson - Non-Public Arbitrator

Concurring Arbitrators:

Barry Goldman, Esq.
Public Arbitrator, Presiding Chair

Signature Date


Barbara A. Johannessen, Esq.
Public Arbitrator

5 October 2001
Signature Date

Donald L. Richardson
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
Arbitration No. 00-05680
Award Page 4 of 4

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ARBITRATION PANEL

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Barbara A. Johannessen, Esq. - Public Arbitrator
Donald L. Richardson - Non-Public Arbitrator

Concurring Arbitrators:



Barry Goldman, Esq.
Public Arbitrator, Presiding Chair

10/8/01

Signature Date

/s/ Barbara A. Johannessen

Barbara A. Johannessen, Esq.
Public Arbitrator

10/05/01

Signature Date

Donald L. Richardson
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

10/10/2001 10:38 FAX 2483737552
10/10/01 WSD 08:44 FAX

RAYMOND JAMES
NASD REGULATION

008

006

NASD Dispute Resolution, Inc.
Arbitration No. 00-05680
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ARBITRATION PANEL

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Barbara A. Johannessen, Esq. - Public Arbitrator
Donald L. Richardson - Non-Public Arbitrator

Concurring Arbitrators:

Barry Goldman, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Barbara A. Johannessen, Esq.
Public Arbitrator

Signature Date

Donald L. Richardson
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)