

Award
NASD

In the Matter of the Arbitration Between:

Name of the Claimant
UBS PaineWebber, Inc.

Case Number: 01-02325

Name of the Respondent
William A. Grist, Jr.

Hearing Site: Atlanta, Georgia

REPRESENTATION OF PARTIES

For UBS PaineWebber, Inc., hereinafter referred to as "Claimant": Michael D. Lee, Esq. and Michael B. Roche, Esq., Schuyler, Roche & Zwirner, Chicago, Illinois.

For William A. Grist, Jr., hereinafter referred to as "Respondent": Jeffrey A. Powell, Esq., Segal, Fryer, Shuster & Lester, P.C., Atlanta, Georgia.

CASE INFORMATION

Statement of Claim filed on or about: May 3, 2001.

UBS PaineWebber's Answer to the Counterclaim filed on or about: June 4, 2002.

Claimant signed the Uniform Submission Agreement: May 3, 2001.

Answer and Statement of Counter-Claim filed by Respondent on or about: July 12, 2001.

Respondent signed the Uniform Submission Agreement: June 14, 2001.

CASE SUMMARY

Claimant asserted this is a proceeding by Claimant against its former employee, Respondent, to collect the balance due on an employee forgivable loan that Respondent signed in return for a \$164,439.76 loan made to him by Claimant. Claimant alleged Respondent breached the employee forgivable loan by failing to pay to Claimant all amounts unforgiven and outstanding on the employee forgivable loan which became immediately due and payable upon his resignation from Claimant on April 11, 2001.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses. Further, Respondent asserted in a counterclaim that Claimant made a promise to offer shares of its stock and stock options to induce Respondent to remain in its employment and the actions of Claimant in doing so constituted fraud, negligent misrepresentation, breach of contract, violation of the covenant of good faith and fair dealing, and outrageous conduct.

Unless specifically admitted in its Answer to the Counterclaim, Claimant denied the allegations made in the counterclaim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested an appropriate award of damages in the amount of \$133,115.16, plus interest, as may be justified by the evidence; an appropriate amount of pre-award and post-award interest, at the maximum rates authorized by law; an award to Claimant of all of its costs and expenses incurred in connection with this action, including its reasonable attorneys' fees; and, grant Claimant such other and further relief as the Panel deemed to be just and equitable. Further, Claimant requested that the Panel dismiss the counterclaim in its entirety.

Respondent requested that the Statement of Claim be dismissed with prejudice, compensatory and punitive damages in the amount of \$100,000.00 against Claimant; pre-award and post-award interest; costs of arbitration, including attorneys' fees; and, all other relief to which Respondent is entitled.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

Respondent is liable and shall pay to Claimant the sum of \$144,108.73 in full and complete satisfaction of the employee forgivable loan which includes pre-judgment interest and taxes due as of June 12, 2001. Post-judgment interest shall begin to accrue 30 days after the date of the Award, if not paid, at the rate of 2% plus prime and shall continue to accrue until the Award is paid in full.

Respondent's counterclaim is denied.

Each party shall bear their respective costs and attorneys' fees.

Any and all claims for relief not specifically addressed herein, including Respondent's request for punitive damages, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

NASD will receive and collect:

Initial claim filing fee

= \$1,000.00

Counterclaim filing fee = \$225.00 .

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(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$2,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

April 2-4, 2002, Hearing Dates, adjournment request by Claimant, adjournment fee of \$1,125.00 assessed one-half to Claimant and one-half to Respondent.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

Three Pre-hearing sessions with the Panel @ \$1,125.00 = \$3,375.00

Pre-hearing conferences:	November 28, 2001	1 session
	February 14, 2002	1 session
	March 4, 2002	1 session

Eight Hearing sessions @ \$1,125.00 = \$9,000.00

Hearing Dates:	June 10, 2002	2 sessions
	June 11, 2002	2 sessions
	June 12, 2002	2 sessions
	September 18, 2002	2 sessions

Total Forum Fees = \$12,375.00

The Panel has assessed \$6,187.50 of the forum fees to Claimant.

The Panel has assessed \$6,187.50 of the forum fees to Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

FEE SUMMARY

Claimant is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$4,600.00
Adjournment Fee	= \$562.50
Forum Fees	= \$6,187.50
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Total Fees	= \$12,350.00
Less payments	= \$7,287.50
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Balance Due NASD	= \$5,062.50

Respondent is solely liable for:

Counterclaim Filing Fee	= \$225.00
Adjournment Fee	= \$562.50
Forum Fees	= \$6,187.50
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Total Fees	= \$6,975.00
Less payments	= \$975.00
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Balance Due NASD	= \$6,000.00

All balances are payable to NASD and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Howard S. Levine	-	Non-Public Arbitrator, Presiding Chair
Thomas C. Moxley	-	Non-Public Arbitrator
Barbara Marie Bantivoglio	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/S/_____
Howard S. Levine
Non-Public Arbitrator, Presiding Chair

Signature Date

_____/S/_____
Thomas C. Moxley
Non-Public Arbitrator

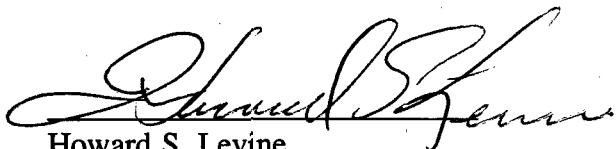
Signature Date

_____/S/_____
Barbara Marie Bantivoglio
Non-Public Arbitrator

Signature Date

October 30, 2002
Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures



Howard S. Levine
Non-Public Arbitrator, Presiding Chair

Signature Date

Thomas C. Moxley
Non-Public Arbitrator

Signature Date

Barbara Marie Bantivoglio
Non-Public Arbitrator

Signature Date

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Non-Public Arbitrator, Presiding Chair

Signature Date

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Non-Public Arbitrator

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Non-Public Arbitrator

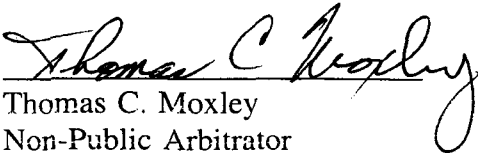
22 October 2002
Signature Date

Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures

Howard S. Levine
Non-Public Arbitrator, Presiding Chair

Signature Date


Thomas C. Moxley
Non-Public Arbitrator

21 Oct 02
Signature Date

Barbara Marie Bantivoglio
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)